

# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*

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## IT'S A FACT!

that during 1937 the Minnesota Mutual's average net rate of interest earned on assets increased to 4.2%.

### WE OFFER:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding-training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Juvenile—Women—Group—Payroll Savings, etc.
10. Low Monthly Premiums.

A \$212,000,000.00 Mutual Company, 58 years old  
with an understanding, cooperative Home Office.

**THE MINNESOTA MUTUAL  
LIFE INSURANCE COMPANY**

Saint Paul, Minnesota



FRIDAY, JULY 8, 1938

# Every Little Girl

- deserves the assurance that the purse will never be empty.
- that's the aim of every father, who seeks to fill the need with **life insurance**.
- that's why the good agent must point out for them the danger of **false security**.
- he builds for them the **real security of complete insurance—**

**LIFE...**

**ACCIDENT**

**AND**

**HEALTH**



"... May she never find it empty!"



FOR DIRECT CONTRACTS WITH HOME OFFICE FOR THE STATES OF MINNESOTA, MISSOURI, NEBRASKA AND KANSAS COMMUNICATE WITH

**NORTHERN LIFE INSURANCE COMPANY**

HOME OFFICE: NORTHERN LIFE TOWER, SEATTLE  
D. B. MORGAN, President

**LIFE—ACCIDENT—HEALTH**  
*Issued together at a substantial saving—or separately.*



# The NATIONAL UNDERWRITER

Forty-second Year—No. 27

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 8, 1938

\$3.00 Per Year, 15 Cents a Copy

## Competition from Thrift Plans Cut by SEC's Action

**Firm Must Have Salesmen Reveal Unfavorable Items Allegedly Concealed**

NEW YORK — Competition from salesmen of so-called "thrift plans" which in its worst form has been the cause of policyholders surrendering insurance to invest in these plans, promises to be much less prevalent as the result of the activities of the Securities & Exchange Commission. The most recent case was that in which the SEC succeeded in getting the Financial Independence Founders to consent to a permanent injunction and to agree to refrain from further violations of the security act of 1933 in marketing its shares. SEC's action against this concern was the third brought in recent months against thrift plan organizations.

The sections of the act involved are sections 5b2 and 17a2. Section 5b2 prohibits the use of the mails or of interstate commerce facilities in connection with the sale of securities unless the buyer is given an opportunity to see a prospectus. Section 17a2 prohibits sales being made if material facts are omitted.

### No Omissions from Prospectus

SEC did not allege that the Financial Independence Founders left any material facts out of its prospectus but did contend that the company's salesmen failed to show the prospectus, since doing so would make it too difficult to sell the shares.

According to SEC's complaint the prospectus would have disclosed to prospective buyers that between 90 and 98 percent of the first seven of the 120 monthly installments went to meet various service charges and fees. The complaint also stated that even after the plan had been going for three years the prospectus showed that from 26 to 33 percent of what had been paid in would have been consumed by these charges and fees, while by the end of the 10-year period during which payments were to be made by the buyer, between 16 and 20 percent would have been used up in the same way.

### Insurance Provision Cited

One of the chief points in SEC's complaint is the insurance protection feature of the plan, though there is no criticism whatever of the life company in the case, the Connecticut General. Under the plan the Financial Independence Founders have a creditors' group policy which provides that in the event of the purchaser's death any unpaid installments shall be made by the life company to the trustee company.

SEC's criticism was based on its contention that salesmen for Financial Independence Founders represented to prospective purchasers that as soon as a

(CONTINUED ON PAGE 10)

## Smaller Companies Not Raising Annuity Rates

**Are Uncommunicative Regarding This Policy, Not Desiring the Business**

Companies are loath to give out information in advance of effective date about their policy regarding annuity rates, following the announcements of some 20 larger eastern companies of rate increase on single premium annuities ranging from 8 to 10 percent. In past years some capital was made of these impending changes, the agents putting on intensive drives for annuity business. Thus at least temporarily the objectives of the increases, to discourage sale of annuities and reduce the amount of "investment funds" going to the companies, were lost.

### Little Advance Notice

The recent annuity increases were made with little or no advance notice. One of the largest companies whose increase was effective July 1 arranged for the official notice to be delivered in the field on that day. A few offices became aware of the impending change and were able to round up a little business, but not in volume to offset the effect of the increase.

Mid-western, southern and far western life companies have been uncommunicative about their stand on the annuity question. It is believed that they fear any announcement that they will not change their rates would result in agents pushing a great volume of business to them. They would be in the position of inviting the annuity business of all the thousands of producers of larger companies. While many companies do not invite such brokerage business, and some refuse to accept annuities from brokers, there are many ways to place such business.

### Do Not Feel Change Necessary

Apparently many smaller western companies do not feel urgent necessity to increase their annuity rates as have many large eastern companies. This probably is because they have not been competitive factors in this field. However, the large increases of some companies and the many impending changes of others, make the smaller companies a fine potential market for producers. This practically assures that to protect themselves the smaller companies in time, when they have secured all the annuity business that they can digest, will increase their rates. It seems likely, however, that for the present this action will not be taken by most of the smaller companies.

Companies which already have announced annuity rate increase to the so-called "standard" basis are: John Hancock, Aetna Life, Travelers, Connecticut General, Berkshire Life, Fidelity Mutual, Home Life of New York, Massachusetts Mutual, Metropolitan, Mutual Life of New York, New England Mutual, Provident Mutual, Prudential.

Companies no longer issuing the cash refund single premium annuity are: Home Life of New York, Massachusetts Mutual Life, Provident Mutual, Prudential, and Travelers. The Mutual Life of

## SEC Move Unlikely to Shift Companies' Buying Channels

**Efforts Now Under Way Expected to Leave Adequate Over-the-Counter Facilities Available**

NEW YORK — Despite efforts of stock exchange firms to have more of the bond business transacted through the exchange that now is conducted over the counter, there seems to be little danger that the buying sources on which life company investment departments depend will be restricted to any extent. A conference was recently held here, attended by officials of the stock exchange, the Securities and Exchange Commission and large institutional buyers of bonds, including life company men. The SEC is sympathetic to the exchange's viewpoint, though entirely open minded.

Life company financial operations are so large that financial officers usually do their buying from various over-the-counter firms rather than through the stock exchange. Though the stock exchange is widely publicized, and generally thought of as synonymous with financial operations, the amount of business done by over-the-counter firms in bonds is normally many times that done on the "big board."

### Over-the-Counter Fits Procedure

One reason why the life companies prefer to buy over-the-counter is not only that they can pick up large blocks of bonds more readily in this way, but that it fits in better with their buying methods. The typical procedure is for a bond house to offer a block of say \$5,000,000 in bonds of a certain issue to the financial officer of a life company. He takes an option on these bonds and then takes up the question of their purchase with his finance committee. Thus, there is plenty of opportunity for weighing the pros and cons.

There is also the angle that the usual stock exchange commission on bonds is one-quarter of a point whereas in the over-the-counter market the fee runs about one-eighth of a point. This is worth considering on large-volume sales.

The stock exchange's argument for more bond business going through the exchange is that the exchange is more rigidly supervised than the dealers operating on the over-the-counter basis, although all are subject to the SEC.

New York issues no cash refund contract as such, but grants cash value on the refund annuity after two years, when the contract may be surrendered for the discounted value of further annuity payments necessary to make the sum of annuity payments equal to the premium paid. The Metropolitan issues no installment refund, but its guaranteed minimum return annuity is similar to the cash refund annuity of other companies.

Under the standard scale rates for women are advanced five years instead of four as heretofore, thus represent an increase.

The Home Life of New York has announced single premium annuity rates which went into effect July 1. The rates are on the new so-called standard-scale identical with that of the John Hancock

(CONTINUED ON PAGE 4)

## Courts to Settle Status of Agents Under Labor Law

**Hearing Set for This Week in Metropolitan Life-C.I.O. Case**

NEW YORK—The power of a state labor relations board to force a life company to bargain collectively with its industrial agents will be tested this week for the first time when Justice Steuer of the New York supreme court hears the New York state labor board's complaint against the Metropolitan Life.

The principle involved is an important one and will undoubtedly be appealed right up the line by whichever side loses. From a company point of view the issue is of considerable importance because of the effect on acquisition costs that would presumably result from having to meet union demands. The attitude of the C. I. O. industrial agents union, which won the election to act as collective bargaining agent in the metropolitan New York area, indicates that it would undoubtedly demand more pay for less work for Metropolitan agents and a relaxing of the managerial authority by which efficiency is kept up and acquisition costs are held down to a reasonable level.

### Wide Authority at Stake

From the labor board's point of view, the Metropolitan's contention that its agents are not covered by the Doyle-Neustein act, which is New York state's "little Wagner act," would, if successful, greatly reduce the scope of the act. It would confine the act to the narrow definition of labor in the old labor laws, which were intended to cover the classes of workers who must be protected by workmen's compensation insurance.

As far as industrial companies are concerned, the question is less far-reaching than it would be if the national labor relations act were involved. This act does not apply, since insurance is not interstate commerce, according to the United States Supreme Court. There are only five states having labor relations laws, New York, Pennsylvania, Massachusetts, Utah and Wisconsin. However, the first three are heavily populated states and a good share of industrial business is written there.

### Board Already on Record

The hearing before Justice Steuer this week will be the first time the question of a state labor board's jurisdiction over industrial agents has come before a court. A month ago the New York board, after going over the results of the election which was won by the C. I. O. union ordered the Metropolitan Life to bargain collectively with that union. Since the board's orders do not have the force of law, this left the next move still up to the board, unless the Metropolitan Life had taken the case to court, which it did not.

(CONTINUED ON PAGE 10)

## Differences of Opinion on Company Examinations

### Two Schools of Thought Are Found Among State Insurance Commissioners

Inasmuch as the question of company examinations by state insurance departments is a vital one there are honest differences of opinion as to program to be followed. Back of it all the commissioners want to get a true picture of a company. They realize the examination of an insurance company means more than auditing of books and checking of accounts. There must be an intelligent insight into the business and there must be ability to ascertain whether a company is following a course that is safe for policyholders. The state department primarily must be mindful of the interests of the public. The directors are supposed to look after the interests of those financially concerned.

#### Kind of Examiners Used

Probably the division comes most sharply as to the kind of examiners to do the work. One school believes in having only salaried men attached to the department who are under daily control of the commissioner. In New York it is required that examiners be under civil service law. The issue that arises between New York and the rest of the country largely rests on the civil service requirements as the statutes declare that examinations must be done in compliance with the civil service rules. No other state has such a law. Some states have a very fair set of salaried examiners. Usually a state may have an actuary and an examiner or two.

#### Outside Offices Are Used

Some states rely entirely on outside offices to do the work and they select those that they feel are particularly prominent and experienced in examination procedure. Those that support the salaried examiner plan say that the work can be done less expensively than where outside offices are employed because the latter naturally do not have continuous work and they are hired, therefore, on a part time basis. Some of the commissioners contend that there should be standard fees for examination. Many hold out for \$15 a day maximum, plus maintenance cost. Some contend that maintenance cost cannot be fixed because it varies with the size and location of the point where a company is located. That is, an examination in New York City would be more expensive from a

# Preliminary Reports For First Six Months Given

Preliminary figures on experience for the first six months in 1938 are reported by a number of companies. In many of the cases the totals are estimates and will vary somewhat from the final figures.

A majority of the companies showed

a decline in paid business the first six months, although there are a number of exceptions. The small increases in insurance in force reflect the general business conditions. Additional reports will be published in next week's NATIONAL UNDERWRITER.

	New Paid Business 1938	New Paid Business 1937	Inc. or Dec. Insurance in Force 1938	Inc. or Dec. Insurance in Force 1937
American Home Life.....	\$ 837,528	\$ 839,742	\$ +250,177	\$ +275,019
American Bankers.....	2,349,363	2,224,490	+24,800	-348,467
American Life & Accident.....	1,100,285	1,321,996	-67,508	+320,790
American Nat. (Ord.).....	19,533,220	22,763,956	+2,903,257	+7,173,911
American Nat. (Ind.).....	96,765,632	96,698,517	+9,797,139	+17,496,659
American Nat. (Group).....	3,762,500	7,746,500	-1,960,500	+5,037,000
American United Life.....	19,521,661	16,794,818	+3,048,789	+2,501,648
Amicable Life.....	5,493,815	5,550,218	+730,011	+811,233
Bankers Life, Neb.....	4,905,665	9,680,613	-2,530,030	+1,909,343
Capitol Life, Colo.....	3,531,473	3,342,281	+246,074	+1,555,184
Church Life, N. Y.....	899,532	1,218,974	+702,207	+1,055,874
Columbus Mutual Life.....	5,272,222	6,685,844	+957,549	+2,919,509
Colorado Life.....	3,033,668	3,396,499	-441,413	-289,194
Cooperative Life, O.....	2,734,000	2,216,498	+2,599,000	+1,486,727
Country Life.....	7,625,000	9,370,907	+3,375,000	+5,660,178
Dominion Life.....	9,871,132	10,927,755	+3,750,000	+3,707,581
Equitable Life, D. C.....	17,207,865	16,667,324	+3,178,088	+7,454,509
Equitable Life of Iowa.....	21,734,000	26,748,000	+2,165,000	+8,002,000
Excelsior Life, Can.....	7,350,000	7,877,899	+2,250,000	+2,783,492
Farmers Union Life, Ia.....	761,945	470,554	+190,853	+3,250
Federal Life.....	2,983,952	3,128,908	-1,138,951	-1,432,624
Fidelity Union Life.....	3,022,393	2,647,735	+846,622	+239,754
Govt. Personnel Mutual Life.....	473,981	283,611	+321,547	+63,639
Great American, Kan.....	920,583	1,212,037	-23,552	+49,080
Great Amer., Tex. (Ord. & Grp.).....	4,611,716	4,267,237	+2,018,593	+1,635,582
Great Amer., Tex. (Ind.).....	1,384,000	1,215,000	+241,500	+104,000
Great Natl. Life.....	1,100,412	1,199,846	+190,185	+142,768
Home Life, N. Y.....	16,629,175	21,624,505	+3,650,472	+9,948,587
Home State Life.....	5,674,824	5,878,551	-487,318	+818,597
Kansas Life.....	107,400	718,050	-371,800	+215,343
Kentucky Home Mutual.....	2,303,995	1,201,697	-158,779	-872,114
LaFayette Life.....	1,287,141	1,404,729	+111,462	+576,883
Lamar Life.....	3,735,507	4,870,420	+286,495	+1,902,924
Life & Casualty, Tenn.....	7,539,021	6,188,402	+1,878,434	+2,454,358
Massachusetts Mutual Life.....	65,600,000	74,787,904	+5,500,000	+22,615,282
Morris Plan.....	30,800,000	25,569,890	+2,500,000	+1,860,438
Mutual Life of Canada.....	22,400,000	22,525,000	+5,500,000	+6,046,000
National Guardian Life.....	2,459,254	2,512,362	+876,146	+1,344,072
Northern Life, Canada.....	3,528,970	3,438,013	+1,345,730	+873,727
National Life, Vt.....	22,461,530	24,061,161	+4,962,548	+7,829,570
North American, Ill.....	5,080,000	4,100,000	+168,000	+651,000
Ohio National Life.....	12,132,890	10,520,342	+2,663,025	+1,585,054
Old Republic Credit Life.....	15,507,178	10,894,959	+4,351,681	+3,880,755
Oregon Mutual Life.....	3,243,955	3,717,268	+592,308	+1,524,653
Pacific Mutual Life.....	14,500,000	11,995,000	-6,700,000	-26,401,000
Policyholders Natl. Life.....	2,554,050	1,459,000	+1,722,965	+423,998
Rockford Life.....	998,957	902,607	+31,650	+13,692
Southern Life & Health.....	25,087,279	25,910,342	+3,175,635	+4,032,613
State Reserve Life.....	1,237,936	1,174,692	+626,368	+533,948
Texas Life.....	2,484,138	2,227,232	+346,751	+328,060
Texas State Life.....	4,097,475	4,012,263	+825,319	+1,159,591
Union Central Life.....	34,871,926	46,203,675	-8,656,017	+5,495,179
Union Labor Life.....	1,350,000	2,312,382	+1,600,000	+3,169,243
United Benefit Life.....	16,841,337	20,065,055	.....	.....
United Life, Miss.....	248,700	.....	.....	.....
Victory Life, Kan.....	1,315,978	1,370,512	.....	.....
Western Life, Mont.....	2,199,834	2,980,855	-78,482	+1,117,112

\*Ordinary only.

\*Began business November, 1937.

living standpoint than Fulton, Ill. Therefore there should be discrimination in this respect.

Those that have had experience with

outside actuarial and examining offices claim that much better results can be secured from them than the ordinary

(CONTINUED ON PAGE 20)

## Statutory Deposit Is for Policyholders' Benefit

### Illinois Appellate Court Hands Down Decision in a Contested Case

The appellate court of Illinois has decided that the statutory deposit of an insurance company is for the benefit of the policyholders and that they are entitled to a preference over other creditors in the disposition of this deposit. In making this decision, the court held that the deposit of the defunct State Life of Illinois, amounting to slightly more than \$100,000, should go to Old Republic-Credit Life of Chicago, which reinsured State Life's business.

The deposit was made under the old statute of 1869, Old Republic having reinsured the business in 1934, before the present Illinois insurance code went into effect. The 1869 law was indefinite in its terms, requiring the deposit, but saying nothing as to its purpose or disposal.

#### Old Republic Filed Claim

Old Republic filed a claim against H. B. Hershey, receiver of State Life, for \$184,000 and claimed it was entitled to a preference in the disposal of the statutory deposit, by virtue of its position as assignee of the policyholders. The receiver recommended allowing the claim, but ruled against a preference for Old Republic. After reference to a master in chancery, who also reported against a preference, the superior court held that all creditors were entitled to participate in the deposit, which represented almost the sole assets of State Life. On appeal, Justice Sullivan, with the other two judges concurring, reversed the decision of the superior court and held that the deposit should be considered as having been required for the protection of policyholders and consequently that the assignee of policyholders is a preferred creditor with reference to the deposit.

The new Illinois insurance code specifically stipulates that such deposits are for the protection of policyholders and hence makes similar litigation unnecessary in future cases. This case, however, may have considerable weight in a few states which do not specify the purposes of such deposits. N. A. Nelson, secretary and attorney, represented Old Republic Credit Life in this case.

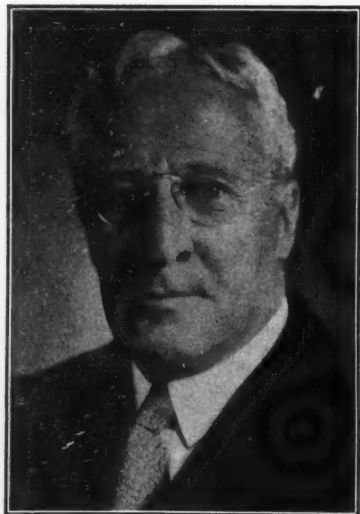
## Two Colorado Judges Differ on Status of Agents

DENVER—District Judge Hicks of Denver ruled in the case of the Equitable Life of Iowa that it must pay contributions to the unemployment compensation fund of Colorado. Appeal to the supreme court is being perfected. Only a few weeks ago District Judge Steele ruled in a case involving the Northwestern Mutual Life that its agents were independent contractors and not taxable for unemployment compensation.

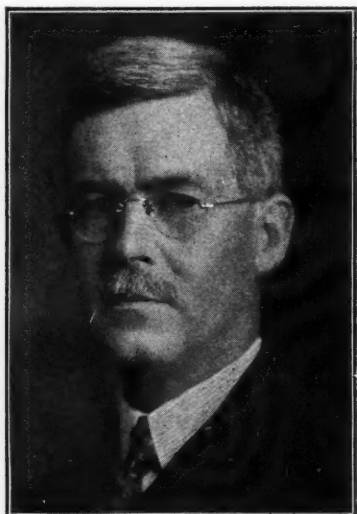
Judge Hicks decided compensation received by agents and solicitors was subject to the state social security act. Assistant Attorney-General Scherer said the ruling, if upheld by the supreme court, would make several thousand agents subject to the tax. The total amount involved is said to be \$450,000. The case is deemed important since in the majority of states, and under the U. S. social security act, ordinary commissioned life agents have been held not to be taxable for unemployment compensation.

Judge Hicks said: "There can be no distinction between a person rendering service upon a commission basis and one rendering service under a daily, weekly, monthly or annual wage, so far as the broad purposes and objects of the unemployment compensation act of Colorado are concerned."

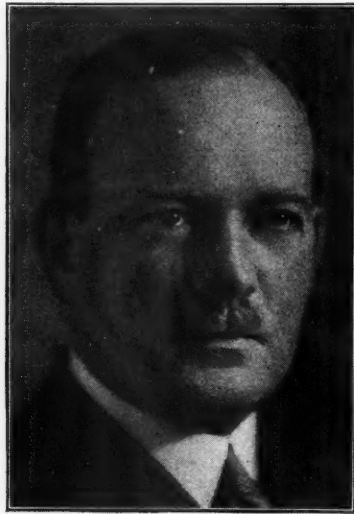
## INVOLVED IN CANADA LIFE CHANGES



LEIGHTON MCCARTHY  
Chairman of the Board



A. N. MITCHELL  
President



S. C. McEVENUE  
Co-General Manager



## Two Model State Acts Recommended by Bar People

### Liquidation of Insolvent Carriers and Interpretation of Insurance Contracts

The committee on qualification and regulation of insurance companies of the insurance section of the American Bar Association will present two proposed model state laws at the American Bar convention at Cleveland July 25-27. The laws relate to uniform liquidation of insolvent carriers and to uniform interpretation of insurance contracts. Prof. E. W. Patterson of Columbia University is chairman of the committee.

The uniform liquidation act, applying to companies doing business in more than one state, was originally submitted to the National Association of Insurance Commissioners in December, 1935, and its first draft was approved by the insurance section of the American Bar Association in 1936. Following reference to the commissioners conference on uniform state laws, it was referred back to the bar association committee for amendment, and the present proposed act represents the second revised draft.

#### Scope of Liquidation Act

The suggested uniform act is reciprocal in nature, applying to all states in which the provisions of the act are in force in substance and effect. It provides that the insurance commissioner must be the liquidating official for delinquent insurance companies, as is now the case in a number of states.

The present draft of the liquidation act applies with equal force to the liquidation of United States branches of companies incorporated in foreign countries, providing that the state in which such a branch has the largest amount of its trusted assets and deposits for the benefit of United States policyholders and creditors shall be considered the domiciliary state.

Among other important points, it provides that the insurance commissioner of any state having reciprocal legislation may be appointed ancillary receiver to hear proof of 10 or more claims, even though there are not sufficient assets in the state to justify the appointment of a receiver. Allowance of a claim by an ancillary receiver is to be conclusive if the domiciliary receiver is given an opportunity to contest it. The time limits for filing claims and the requirements as to priority of preferred claims and equalization of special deposit claims are made uniform.

The proposed uniform law governing the interpretation of insurance contracts is submitted by the committee as a preliminary draft, with a suggestion that the members of the section give it further study. It is intended to diminish the problems of conflict of laws by making the applicable law depend upon the state in which the insured property is located, in which the assured's activities will be principally conducted, or in which the assured resides, depending on the type of insurance policy. Where none of these conditions are applicable, the proposed law provides that the law of the state in which the policy is delivered or issued shall control.

In its comment on the act the committee states that there is some doubt as to the constitutionality of some of these factors and recommends that the constitutional question be studied further. It also suggests that consideration be given as to whether the proposed bill should be extended to apply to assignments, loan agreements and other transactions arising after execution of the original contract.

## International Claim Card for Annual Gathering

### Program Includes Addresses of Unusual Interest to Insurance Fraternity

E. D. Millea, assistant chief accident and health and disability claim division of the Equitable Society, who is president of the International Claim Association, has announced the program for the annual convention to be held Sept. 12-14 at the Greenbrier Hotel, White Sulphur Springs, W. Va. Herbert Adam, assistant vice-president Penn Mutual Life, is vice-president; L. L. Graham, director of field service Business Men's Assurance, secretary; F. L. Templeman, manager accident and health department Maryland Casualty, is treasurer and R. B. Hatcher, secretary Atlantic Life, chairman executive committee. The program is as follows:

#### Text of the Program

"Preparation in Litigated Cases," by William Marshall Bullitt, attorney, Louisville.

"Reclamation of Payments Made Under Mistake of Fact," by J. D. DeWitt, supervising adjuster, Travelers.

"Rehabilitation of Nervous and Mental Cases," by F. W. Dershlmer, M. D., psychiatrist, New York City.

"Independently of All Other Means," by Will Manier, Jr., Nashville attorney.

"Preparing the Defense in a Heart Clair," by James A. Ewing of Alexander & Green, New York, attorneys for Equitable Society.

"A Layman's Picture of the Heart and Its Illnesses," by George W. Roberts, Jr., M. D., professor of medico-legal jurisprudence St. Johns Law School, Brooklyn.

Comments, by D. W. Hoare, M. D., assistant medical director, Penn Mutual Life.

In addition there is to be an address by President Millea, and the reports of

## Plan to Honor California Commissioner July 19

SAN FRANCISCO—Plans are rapidly being completed for the banquet July 19 to honor retiring Commissioner Carpenter and his successor, Rex B. Goodcell, who will take office July 15. It will be held at the Commercial Club with Leland W. Cutler, executive vice-president of the Fidelity & Deposit and president of the Golden Gate International Exposition, as toastmaster.

#### Governor Merriam to Speak

The principal talk is to be made by Governor Merriam, both of the honored guests being appointees of the governor. Resolutions of appreciation are now being prepared by the insurance fraternity and these will be presented to Commissioner Carpenter by Stephen A. Malatesta, president Insurance Brokers Exchange of San Francisco, who will open the meeting. All branches of insurance are represented on the general committee in charge of arrangements.

#### Adams, Smith to Be Speakers

Claris Adams, president Ohio State Life, will be the banquet speaker at the 25th anniversary celebration of the Insurance Federation of Ohio held in Columbus July 15. Chase M. Smith of Chicago, general counsel Lumbermen's Mutual Casualty, will speak at the luncheon which will open the meeting.

the various committees. Carl Jones of the Commercial Travelers, chairman of the entertainment committee, has arranged some interesting entertainment features with, of course, the usual golf tournament predominating. The president is holding a reception for all the delegates and guests the first evening.

## Promotions Made in Official List of Canada Life

### A. N. Mitchell Becomes Its Ninth President in Its Ninetieth Year Anniversary

The Canada Life has made important changes in its official personnel. Ten of the highest ranking men at the head office are concerned. For the most part it means a reallocation of titles. There will be no change whatever in the administrative policy. W. A. P. Wood, assistant general manager and actuary, retires from service, continuing as consulting actuary. L. K. File, associate actuary, succeeds him as actuary.

#### Chief Changes Made

H. C. Cox, chairman of the board, becomes chairman of the London, Eng., board. Leighton McCarthy, president, succeeds Mr. Cox as chairman of the board. A. N. Mitchell, vice-president and general manager, is made president. E. R. Wood continues as vice-president, a position he has held for many years. William Hastie, assistant general manager and treasurer, and S. C. McEwen, general superintendent, become general managers. E. C. Gill, assistant treasurer, is made treasurer. W. J. Beattie, executive assistant, becomes assistant to the president. R. J. Trenouth, assistant superintendent, becomes associated with R. J. McDonald as superintendent.

#### Much Time Spent in England

While the loss of Mr. Cox as chairman of the board will be keenly felt, he will remain a director, and as such the benefit of his counsel will continue. Much of his time in recent years has been spent in England, and it is explained that the increasing importance of the company's business in the British Isles makes a strong advisory board in London a necessity.

Son of the famous Senator George A. Cox, Mr. Cox joined the Canada Life as a stenographer back in 1893. Working up through every position in the office, he became assistant to the manager, and in 1900 followed in the footsteps of his father as manager for eastern Ontario and Michigan. Elected president of the Imperial Life in 1912, he resigned two years later to become president and general manager of the Canada Life. He was succeeded as general manager by the late T. G. McConkey in 1924, and as president when he became chairman of the board in 1928, by Leighton McCarthy.

#### Mr. McCarthy's Career

Mr. McCarthy is the son and nephew of men who have been active in the service dating back from 1876. Called to the bar in 1892, he entered the firm of McCarthy, Osler, Hoskin & Creelman. Six years later he was elected a member of the federal parliament, and represented North Simcoe until his retirement from politics in 1908. He was appointed a director of the Canada Life in 1910, joint general solicitor in 1916 and vice-president and general counsel in 1924. In addition to his position with the Canada Life and his membership in the law firm of McCarthy & McCarthy, he is a director of a number of important enterprises.

The new president, A. N. Mitchell, became general manager in 1930, after a most interesting and diversified career. Today he is regarded as one of the outstanding men in insurance—a fact which was illustrated only last month when he was elected president of the Canadian Life Insurance Officers Association.

(CONTINUED ON PAGE 20)

## We'll Call Him Tompkins

Why did a Wyoming underwriter one day bombard his General Agent's office with eight applications?

This is the story:—

Last Christmas a young husband and father, thinking of family presents, was sold a \$2,000 policy—he was 23 years old. Death claim a few months afterwards—brain tumor. To the wife, \$500 cash, and \$50 a month under an option settlement.

Our underwriter—we'll call him Tompkins—saw a strong young provider for a little family taken without warning. Because he put his heart into his work, he helped an honest young farmer pay his own last expenses, and pay the grocery bill for his little family for months after he, the father, could no longer be here to do it.

Life Insurance in crucial action transforms an underwriter from routine salesman to irresistible evangelist. And that's why Tompkins, although in Wyoming money is still tight, a little while ago bombarded his General Agent's office with eight applications in a single day.

\*\*\*

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

## Companies Doubtful on Radio Advertising Value

### Agents Find One Minute Announcements of Greatest Sales Value

Stanley F. Withe, advertising manager Aetna Casualty, has announced transcriptions of 28 new one-minute radio programs, consisting of a brief dramatic skit, followed by announcement of the sponsoring agent's name and address, for use over local stations. The agent pays only for the time on the air. There are two series of 14 programs, on the safe driver reward plan and on personal accident insurance.

The results obtained from these programs have been varied. Some agents have gone to considerable expense to keep their names on the air several times weekly at well-chosen intervals. Not all have been pleased with the results, though a few have reported business considerably stimulated.

### Travelers Station

The Travelers has owned its own station for a number of years, devoting much time to spot announcements, as well as talks and plays concerning highway, safety, accident and health insurance and other forms. A feature of the station has been the weekly program of the Hartford County Medical Association, devoted to disease prevention and health safeguards. Although it has owned the station for a number of years, the Travelers is far from convinced of the value of radio advertising for insurance. It has been a common experience that when letters are received concerning insurance continuity, very often they come from people who, for one reason or another, are uninsurable or declined by other companies. The insurance company advertising over the radio is in a paradoxical situation, in that it is out to sell, yet will not actually sell to every prospect.

John Paley, president of Columbia Broadcasting System, speaking some months ago at a meeting of the Life Advertisers Association, stated that, although 38 life companies have used the air for regular programs, only seven remain. The program of morning calisthenics sponsored for several years by the Metropolitan Life was considered perhaps the most successful.

It seems, however, local agents' programs meet with success in some in-

## Boex Brothers' Big Weekly Record in Equitable, Iowa, General Agency, Cincinnati

A. M. Boex, assistant general agent of the Equitable Life of Iowa at Cincinnati, working with General Agent J. B. Moorman, has attended every annual agency convention of the company since he joined the agency 12 years ago. He has a record of 600 weeks of consecutive production. He has written one or more policies each week he has been in the business, starting when he was 20 years old. He writes 80 to 100 apps a year with an average of \$2,000 per application. He now has over 1,000 policyholders. His second year lapse record has never been under 95 percent and is usually 97 to 98 percent. He writes about \$175,000 worth of business a year.

### Clem Boex Record

His brother, Clem J. Boex, writing \$300,000 a year has a record of 514 weeks of consecutive production. He has been in the business 15 years and during that time has not had a single death claim. His slogan is, "Let me write your life insurance and you'll live longer." He also has a very good second year lapse record, time and again having no lapses in an entire year. Rarely does he have more than a 5 percent lapse. His second year renewal is usually around 99 percent.

### Lowest Lapse Ratio

The five men going to the agency convention at Hot Springs, Va., all have good consecutive weekly production records ranging from 100 weeks to 600. The agency is outstanding for its conservation record also. It has the lowest lapse ratio of any agency of the Equitable Life of Iowa and the men attending the convention will get an extra reward for their conservation record. The persistency ratio for the past year of the agency is better than 96 percent.

stances, although 15-minute musical programs have not been very successful. The real value appears to be in 50-word or one-minute spot announcements. The variation in results seems to lie in the fact people will buy because of the agent who approaches them rather than the company he represents. The practice of keeping one's name before the public is of the greatest value. Company programs, of course, do expedite the sales of agents, but results are not nearly so apparent as in other fields.

## Pittsburgh Manager in Analysis of the Results

### F. C. Wigginton Gives Factual Information as to Work in Recent Weeks

PITTSBURGH—F. C. Wigginton, Bankers Life of Iowa agency manager, has made a thorough analysis of business written in his agency in several weeks of this year. Totaling 146 cases for more than \$508,000, this business is analyzed according to age and occupational groups. Of the 146 cases written, more than 62 percent were on persons less than 35 years old; the under-35 age group accounting for exactly 92 of the 146 applications. The complete tabulation of business by age groups follows: Juveniles, 5 applications, 3.5 percent of total; to age 30, 57 applications, 39 percent of total; 30-35, 30 applications, 20.5 percent of total; 35-50, 44 applications, 30 percent of total; 51 and over, 10 applications, 7 percent of total.

### Analysis by Applications

The analysis by occupations presents the following picture:

Office Workers .....	19
Women .....	18
Housewives .....	11
Store Employees .....	10
Plant Workers and Laborers.....	10
Store and Other Managers.....	9
Students .....	9
Members of the Clergy.....	9
Professional Men .....	8
Salesmen .....	8
Mechanics, Electricians, Carpenters..	7
Gas Station Employees.....	6
Teachers .....	5
Engineers .....	5
Nurses .....	3
Accountants .....	3
Hotel Employees .....	3
Merchants .....	2
Farmers .....	1
	146

While the relative standing of occupational groups will vary from section to section (farmers will naturally be more numerous among applicants almost anywhere than in the Pittsburgh agency, where only one out of 146 was a farmer), yet the survey merits some consideration as indicative of trends.

### Quits Michigan Department

After more than 11 years service with the Michigan insurance department, Mrs. Evelyn Church has resigned her secretarial position and is planning, after a brief vacation, to take up her residence in Jackson, where her husband, Lawrence Church, is connected with the Michigan inspection bureau.

## Metropolitan Finds Visual Plan Sells Group Annuities

### Bring Up Problem of Retiring Superannuated Employees in Non-Controversial Way

NEW YORK — Metropolitan Life group annuity representatives are now using a visual sales manual developed by Assistant Secretary E. C. McDonald which has proved extremely effective in interesting new prospects. Leading off with interest-arresting facts and picture-charts, it gains the attention of the prospect in an entirely non-controversial way and progressively works around to the problem of retiring superannuated employees in plants similar to those with which the prospect is connected.

The growth of population in the United States since 1800 is shown by a series of rows of little men, each man representing 5,000,000 persons. Then the shift from agriculture to other occupations is graphically shown by little figures representing farmers and non-farmers. In similar fashion the steadily increasing percentage of persons age 65 and over is shown.

### Shows Pension Growth

After showing the striking growth of company pension plans since 1900 and a graph of life insurance and individual and group annuity premiums showing that annuities are almost as great today as all life insurance premiums were in 1910, the manual points out that modern business requires efficiency, accuracy, initiative, speed and safety and that these requirements suffer when older employees are retained in service beyond their real usefulness.

The point is then made that trying to remedy this situation by discharge is costly in impairment of employee morale and in loss of community good-will; that putting older employees on easy jobs is ineffective because of scarcity of such jobs; and that the only solution that has proven satisfactory is retirement on pension.

## Smaller Companies Not Raising Annuity Rates

(CONTINUED FROM PAGE 1)

Mutual announced a week ago, and other eastern companies.

The Canada Life has made an increase in single premium annuity rates but so far as can be ascertained other companies have not sent out any notice other than the Great-West Life of Winnipeg which definitely announces it will not make any increase.

### ACTION OF CANADIAN COMPANIES

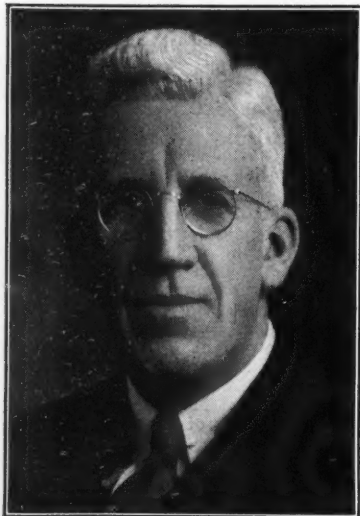
TORONTO—So far there is little indication that Canadian companies will increase rates for single premium annuities as are many companies of the United States. Some Canadian life companies, however, have cooperated with American companies in raising rates on their American business. It is presumed that other Canadian companies operating in the United States eventually will follow suit there. The increase is said to average 7 to 10 percent.

### Elect Colorado Officers

DENVER—The newly-formed Colorado Association of Life Underwriters met to discuss application for a new charter and elect officers. George Stoecker, Travelers, was formally elected president and A. T. Severs, secretary-treasurer of the Denver association, was named to the same position in the state association.

Presidents to be elected by the three new local associations in Greeley, Colorado Springs and Pueblo will automatically become vice-presidents of the state association.

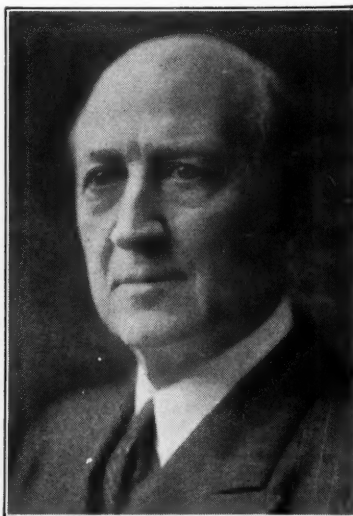
## SPEAK AT MANUFACTURERS LIFE FETE



A. KINCH



ROBERT CAMPBELL

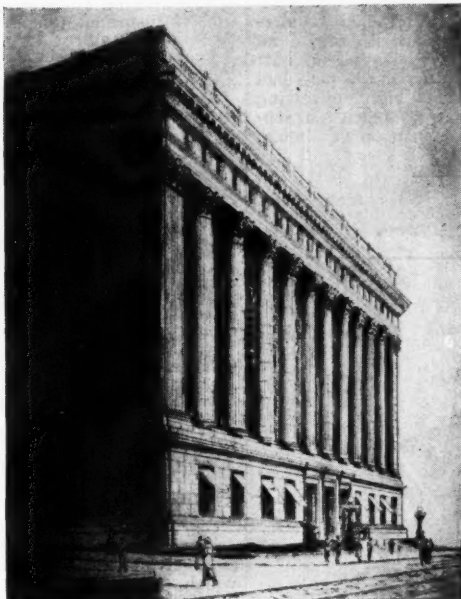


C. E. GAUSS

Among the speakers at the celebration at Lansing, Mich., of the 35th anniversary of the entry of the Manufacturers Life into the United States were A. Kinch, agency

superintendent for the United States; Robert Campbell, first Michigan manager, now retired, and Commissioner Gauss of Michigan.





"The road to success is known... *follow it!*"



Many underwriters are finding that these are good times in which to achieve solid personal growth.

Overcoming the difficulties of the day has caused these men to improve their selling effectiveness and to broaden their outlook. The ideas, methods and philosophies of such leaders, including three outstanding guest stars, will be presented at the approaching 62nd Annual Meeting of The Association of Agents to be held at Milwaukee on July 25th, 26th and 27th. Appearing on the program—tuned to the times—will be underwriters whose 1938 achievements clearly demonstrate that sound determination knows no failure—that now is the time to follow through.



## Finds Group Policy Conversion Was Effectuated

The purpose of the group policy provision, that application for conversion into a permanent contract should be made within 31 days after termination of the insurance under the group policy, is to fix an ultimate, not an initial, time limit for notice to the insurer of the exercise of the conversion privilege. This was the decision of the Pennsylvania supreme court, western district, in Pannabaker vs. General American Life. The decision went against the insurer.

Pannabaker was insured under a group policy issued by the old Missouri State Life to the Good Fellowship Club of National Tube Company. The group policy was terminated by action of the club Aug. 1, 1935. On July 31 Pannabaker's daughter, at his request and on his behalf, orally notified the insurer's agent of Pannabaker's desire to exercise

the conversion privilege. The agent calculated the premium that would be due and the daughter tendered a check but the agent said an application in writing signed by the father would be necessary. She was unable to have it signed because Pannabaker died August 2. The insurer denied liability.

### Members Had Vested Right

The court said that General American is going on the theory that the exercise by Pannabaker of the conversion privilege was subject to the legal requirements that would ordinarily attend an application for a new policy. The court held that each member of the club had vested an unconditional right, by giving notice to that effect, to receive a separate policy and the insurer was bound to issue it.

Company reports, policy facts, rates and values all covered completely in the 1938 *Unique Manual-Digest*, \$5. National Underwriter.



**SAFE!**

A mother's arms are conceded to be the safest place for a tiny child.

Yet many mothers and their small children are separated because some fathers neglect their life insurance protection.

Ask your prospect what the situation would be if his wife were compelled to maintain herself and his other dependents.

Then tell him how he can provide.



**The Prudential**  
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.

## Conventions

July 22—North Central Round Table Life Advertisers Association, Palmer House, Chicago.

July 25-27—Insurance Law Section, American Bar Association, Statler Hotel, Cleveland.

Aug. 1-2—Federation of Insurance Counsel, Grand Hotel, Mackinac Island, Mich.

Aug. 22-25—National Fraternal Congress, annual meeting, Toronto, Can.

Aug. 31-Sept. 3—International Association of Insurance Counsel, Grand Hotel, Mackinac Island.

Aug. 22-25—Association of Superintendents of Insurance of the Provinces of Canada, Empress Hotel, Victoria, B. C.

Sept. 12-14—International Claim Assn., White Sulphur Springs, W. Va.

Sept. 12-13—Insurance Advertising Conference, Oyster Harbor, Mass.

Sept. 19-23—National Association of Life Underwriters, Rice Hotel, Houston, Tex.

Sept. 26-29—Life Office Management Association, Mt. Royal Hotel, Montreal.

Oct. 5-7—Joint meeting Actuarial Society of America and American Institute of Actuaries, Waldorf-Astoria, New York City.

Oct. 10-13—American Life Convention annual meeting, Edgewater Beach Hotel, Chicago.

Nov. 1-3—Association of Life Agency Officers, Edgewater Beach Hotel, Chicago.

Nov. 14-16—Life Advertisers Association, Traymore Hotel, Atlantic City.

## Loan Broker's Insurance Requirement Not Illegal

The Arkansas supreme court has decided against the state bank department, which refused to license a loan broker on the ground that he was getting around the usury law by requiring borrowers to purchase life insurance, from which the loan broker derived a profit. The case was Jernigan vs. Loid Rainwater Company.

Rainwater was making loans at a rate of interest not to exceed 10 percent and was requiring the borrower to take a policy with United Mutual Life in the minimum amount of \$1,000, adding the amount of the annual premium to the loan. In connection with certain deals, Rainwater required that the borrower execute an additional note for a second annual premium. Rainwater, being the agent for United Mutual Life, got the commission for writing the insurance as well as the interest charged.

The insurance is not written to cover or protect the amount of the loan or to cover the period of time for which the loan is made, but is merely a requirement in order that the loan broker may receive an amount of money in excess of the 10 percent interest charged.

The court pointed out that the bank department does not allege that Rainwater is unfit through lack of financial responsibility, through lack of experience or want of character. The department does not have the authority to refuse to license an applicant merely because the department believes he will not conduct the business fairly.

## Interest in Mississippi High Court Decision

Life companies are interested in the decision of the Mississippi supreme court that a general agent has the right to waive premium notwithstanding a policy may contain a provision to the contrary. The decision was in the suit of Mrs. Carmelia Saucier to collect a \$1,000 policy issued by the Life & Casualty of Tennessee. It was issued Oct. 1, 1935, and the assured died Oct. 22, before the first premium had been paid. The court records showed that a general agent had assured the policyholder that his insurance was in force. The policy stipulated that only an executive officer had authority to waive payment of the first premium and that unless the premium had been paid the policy would not be effective. The court said, "The general agent of an insurance company who has authority to deliver policies and

## Illinois Life Companies Handicapped in Loans

The Illinois life companies are confronted with an unsatisfactory situation in that they are not permitted to loan over 50 percent on the value of property although companies of many other states can loan higher amounts. The foreclosure laws in Illinois are very unsatisfactory. Effort has been made in times past to have them modified and brought up to date. The foreclosure expense is heavy and that has a bearing on the amount of the percentage of loans to be made. Many of the larger states allow a loan up to 66 2/3 percent of the value. Illinois companies find that they are considerably handicapped in competition with other life companies and other loaning organizations because of the Illinois law.

receive payment of the premium has power to waive prepayment of premium although the policy contained a condition to the contrary."

## Company Buyers Organize

BOSTON—The Association of Insurance Company Buyers, comprising purchasing agents of some 21 New England companies, has elected Edwin Johnson, Massachusetts Mutual Life, as president. C. M. Bell, Massachusetts Bonding, is vice-president; W. B. Joyner, London & Lancashire Indemnity, secretary, and W. E. Lutz, Caledonian, treasurer.

## Officials Visit Texas Agencies

Henry L. Knox, field supervisor for the John Hancock, visited the Dallas and Houston agencies and spent several days with G. A. Davenport, San Antonio, Tex., general agent, who is just opening offices there at 604 Milam building.

J. H. Eteson, assistant superintendent of agencies State Mutual Life, has visited the Dallas, Houston and San Antonio agencies.

## NEWS OF WEEK

Hearing scheduled on New York labor board's jurisdiction over industrial agents. \* \* \* Page 1

Competition from "thrift plans" curbed by SEC action. \* \* \* Page 1

Moves to shift over-the-counter bond business to "big board" expected to leave adequate facilities open to life companies. \* \* \* Page 1

Smaller and medium sized companies are not increasing single premium annuity rates. \* \* \* Page 1

Differences of opinion are found among insurance departments as to procedure in company examinations. \* \* \* Page 2

Illinois appellate court decides that statutory deposits of a life company made with a state are for the benefit only of policyholders. \* \* \* Page 2

Two proposed model state laws are recommended by the committee on qualification and regulation of insurance companies of the insurance section of the American Bar Association. \* \* \* Page 3

Program is announced for the annual meeting of the International Claim Association to be held at White Sulphur Springs, Va. \* \* \* Page 3

Important official changes are made by the Canada Life. \* \* \* Page 3

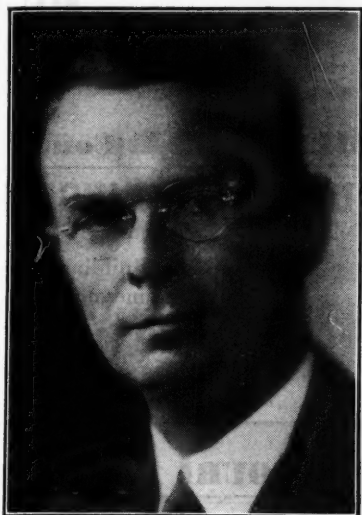
Remarkable consecutive weekly production record of Boex brothers in Equitable Life of Iowa Cincinnati agency. \* \* \* Page 4

North Central Round Table of Life Advertisers Conference announces its Chicago meeting program. \* \* \* Page 11

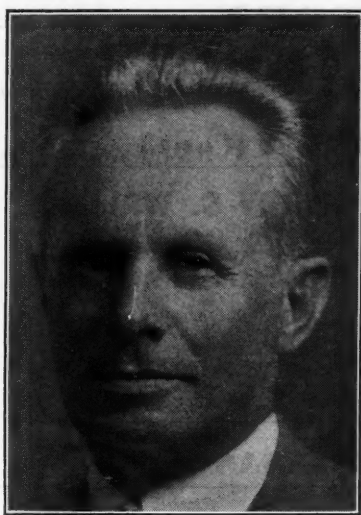
Chicago Life Underwriters Association now stands first among all local bodies in point of membership. \* \* \* Page 16



## Speak at Houston Convention



M. A. LINTON



I. S. KIBRICK

The first two speakers announced for the annual meeting of the National Association of Life Underwriters in Houston next September are M. A. Linton, president Provident Mutual Life, widely known as an executive, actuary and author, and I. S. Kibrick, Brockton, Mass., million dollar producer of the New York Life for many years, who has demonstrated his effectiveness as a speaker in his many appearances before sales congresses and other gatherings.

### L. O. M. A. Institute in Year Shows Good Growth

Report of the sixth year of operation of the Life Office Management Association Institute, which offers undergraduate courses to home office employees in principles of life insurance, shows 2,187 students, employees of 134 life companies and kindred organizations, sat for 4,238 examinations, and 70 students, employees of field agency offices, sat for examinations in the special 2A course on field agency office management. This undergraduate course, carrying eligibility for associate and fellowship degrees, has been designed primarily for branch office personnel. It has been enlisting an increasing number of students and is recognized by companies as a valuable medium for training branch office personnel. The results of the last year show a substantial increase in number of students and examinations over previous years. Miss Gladys I. Kirkpatrick, Occidental Life of Los Angeles, won the "magna cum laude" award for examinations completed in course 1. Eight students were granted the course 1 "cum laude" designation: F. L. Allen, J. A. Reeser and N. O. Pierson, Prudential; E. J. Stephens, Jr. and Elizabeth M. King, Massachusetts Mutual; R. J. Dilges, Northwestern Mutual; W. B. Wallace, Volunteer State Life, and Jane E. Gough, Mutual Benefit.

### Bolles Heads Trust Council

J. B. Bolles, Travelers Bank & Trust Co., was elected president of the Hartford Life Insurance Trust Council at the annual meeting. Allan Larkum, Phoenix Mutual Life, is vice-president; Robert Benjamin, New England Mutual, secretary, and E. J. Liebewein, First National Bank, treasurer. Directors elected for two years are: Philip Holway, Connecticut General, and Wallace Cudworth, Travelers Bank & Trust Co.

### Zone Chairmen Resign

Insurance Commissioner Ham of Wyoming has resigned as chairman of Zone 5 of the National Association of Insurance Commissioners. Commissioner Harrison of Arkansas succeeds him. Commissioner Julian of Alabama resigns as chairman of his zone as he is now president.

### Company Personal Property Tax Urged in Michigan

LANSING, MICH. — Personal property owned by insurance companies in Michigan would be put on tax rolls under recommendations submitted to the state tax study commission which is to report to the 1939 legislature with a view to broad amendment of tax laws. The recommendations pertaining to insurers, including some other suggestions, notably one that the state's policy on taxation of annuities be clarified, were made by the taxation committee of the Michigan Municipal League and special tax committee of the Municipal Finance Officers Association of the United States and Canada.

### Become Big Property Owners

It was pointed out many big life companies have become large property owners in the state during the depression period through foreclosure of mortgages. At present, the committee said, companies are claiming exemption from personal property levies connected with these real estate holdings under a code section which establishes premium tax "in lieu of all other taxes" with specific exception of real property.

The joint report held that the legislature did not contemplate a situation such as brought about by depression, in which title to apartment houses and hotels containing considerable taxable property is held by insurance companies which are enjoying tax exemption. This has created unfair competition with other apartment house owners obligated to pay tax, the report states.

### Consider Annuity Tax

In making suggestions regarding annuities, the committees were considering a timely subject since the 1937 legislature passed a bill to exempt annuity payments by insurance companies from any taxation. So drastic legislation was not wanted by legitimate insurance interests, however, and, after protest by the state's organized life underwriters, the governor vetoed the act. The joint committee report states confusion exists over annuity payment tax.

There also is difficulty in valuing the payments, in the absence of an expressed statutory method. The committees said the kinds of annuities taxable should be definitely expressed as well as a clear cut method of valuation developed.

## HOW BMA SALESMEN Turn Vacation Days Into PRODUCTION DAYS!

Yes, B.M.A. salesmen, even during the vacation days of summer, have a decided advantage. They have found that the press of the nation publicizes the mounting accident toll

during vacation time. They have found too that B.M.A.'s complete accident policies are an ideal entree to many a new prospect just prior to his vacation.

No wonder then that B.M.A. salesmen in every section are reporting — "business is good." They have learned to turn "Vacation Days into Production Days" — and they've learned that later these Vacationers are good prospects for B.M.A.'s COMPLETE PROTECTION — which includes Accident, Health & Life Insurance.

W. T. Grant, President  
J. C. Higdon, Vice Pres. in charge  
of Sales



## BUSINESS MEN'S ASSURANCE CO.

Kansas City, Mo.

# PROPERTY MANAGEMENT | DIRECTORY |

● The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## CALIFORNIA

### CAMPBELL - TOLBERT REALTORS

Property Management—  
Sales—Leases—  
Appraisals—

Many Years of Reliable Service  
LONG BEACH, CALIF.  
446 Pine Ave.

### ROY C. SEELEY COMPANY Business and Industrial Realtors

Property Management—Appraisals  
Complete Service

Pacific Electric Bldg.  
Los Angeles, Calif.

### COLDWELL CORNWALL and BANKER

Property Management  
General Real Estate  
and Appraisals

A STATE WIDE SERVICE

523—W. 6th St. Financial Bldg. 57 Sutter St.  
Los Angeles Oakland San Francisco

### Los Angeles Population 1950—2,500,000 W. M. GARLAND and CO.

117 West 9th Street

APPRAISALS  
SALES  
FINANCING  
INSURANCE

An  
Incomparable  
Organization  
of  
Years Standing

PROPERTY MANAGEMENT  
LOS ANGELES, CALIFORNIA

### R. G. HAMILTON & CO.

(Established 1922)

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San Francisco

PROPERTY MANAGEMENT  
INSURANCE  
RENTALS  
SALES  
LOANS

Oakland Office — Latham Square Bldg.

## COLORADO

### Morrison & Morrison Realtors and Insurers

REAL ESTATE  
MANAGEMENT  
SALES APPRAISALS

Member—Institute Management

DENVER, COLO.

## ILLINOIS

### HOOKER & SLOSSON

Specialists in

APPRAISALS, MANAGEMENT,  
LEASING, and SALES of CENTRAL  
and OUTLYING REAL ESTATE

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CHICAGO - RANDOLPH 4022

### PARKER-HOLSMAN REALTORS

### Property Management and SALES

1501 EAST 57TH STREET  
HYDe Park 2525 CHICAGO

SPECIALISTS in Management  
Selling, Leasing of Chicago In-  
come Producing Properties

### L. J. SHERIDAN & CO.

One North La Salle Street, Chicago  
TELEPHONE FRANKLIN 7855

Exclusive Agents for One La Salle  
Street Building; Builders Bldg.;  
33 South Wabash Ave. Building  
and other properties

### Wirtz, Haynie & Ehrat, Inc.

REAL ESTATE  
MANAGEMENT

3160 Sheridan Road, Chicago, Illinois

## INDIANA

### PROPERTY MANAGEMENT

APPRAISALS

Sales - Leases

Insurance - Mortgage Loans

### W. A. Brennan Agency Corporation

428 Illinois Bldg. Riley 2315  
INDIANAPOLIS

## IOWA

### MEL FOSTER CO.

Appraisals

Mortgage Loans - Property  
Management

With Offices in

Moline, Ill. Davenport, Ia.  
5th Ave. Bldg. Security Bldg.  
Mol. 1493 2-2867  
Rock Island, Ill.  
Best Bldg.  
R. I. 795

## IOWA (Cont.)

### HARRY G. WALLACE & CO., Inc.

APPRAISALS

Specializing in:

CITY AND FARM MANAGEMENT  
AND SALES

Flynn Bldg. Des Moines, Iowa

## KANSAS

### R. K. STILES & CO.

Property Management  
and  
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903 N. Seventh St. Kansas City, Kan.

## MICHIGAN

SALES  
APPRAISALS  
FINANCING  
MANAGEMENT

### T. F. NORRIS CO.

50 years of Faithful Service

Majestic Bldg., Detroit

F. Earl Johnston J. C. Johnston

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INSURANCE COMPANY  
CORRESPONDENTS

### H. G. WOODRUFF, INC.

1812 Union Guardian Building  
Detroit

## MINNESOTA

Rendering Every Phase of

### REAL ESTATE SERVICE

Property Management Appraisals  
Real Estate Sales Mortgage Loans

Members of Institute Real Estate  
Management

### GENERAL MANAGEMENT COMPANY

Baker Building, Minneapolis

## MINNESOTA (Cont.)

### DUNN & STRINGER

INCORPORATED

Empire Bank Building  
St. Paul, Minnesota

McNeil S. Stringer, Pres.

Mortgage Loans  
Real Estate  
Property Management

## MISSOURI

### E. F. PIERSON & CO.

Realtors

SALES MANAGEMENT  
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Commerce Bldg. Kansas City, Mo.

E. F. PIERSON, M. A. I.

### M. H. RODEMYER & CO.

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Property Management  
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## NEBRASKA

### CITY REALTY COMPANY

LINCOLN

Specializing in

Property Management and  
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National Bank of Commerce  
Phone B5135

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### BYRON REED COMPANY, Inc.

Appraisals Sales  
Property Management

Largest and Oldest Organization—  
82 Years

FARNAM BUILDING

## NEW YORK

### DEXTER P. RUMSEY & CO., Inc.

53 Court Street  
Buffalo, N. Y.

Complete real estate and insurance  
service, including sales, rentals and  
leasing (residential and commercial);  
property management, appraising, mort-  
gages, etc.

### THORPE BROS., Inc. REALTORS

Member—Institute Management

Property Management

Thorpe Bros. Building

519 Marquette

MINNEAPOLIS, MINNESOTA



## PROPERTY MANAGEMENT — DIRECTORY —

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### NEW YORK (Cont.)

In  
**ROCHESTER, NEW YORK**  
for  
PROPERTY MANAGEMENT  
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### Association Leader, Famed as Speaker, Dies



CHARLES C. GILMAN

Charles C. Gilman, 56, for the past six months with the Moore & Summers home office agency of the New England Mutual Life in Boston, but prior to that for 33 years with the National Life of Vermont in that city and prominent in the National Association of Life Underwriters throughout practically all of that period, died at his home in Milton, Mass., from a heart ailment which had affected him for the past three or four years.

Every one who has ever attended a convention of the National association knew "Charlie" Gilman. He had appeared on its programs many times, either as a formal speaker or the discussion leader. His incisive wit and his ability to cut through any wordy camouflage to the real point of any question under discussion had caused him to be spoken of as the Will Rogers of life insurance.

He was a former president of the Boston Life Underwriters Association and its national committeeman at the time of his death. He was the chief spokesman in Boston's three-year fight for the National association meeting, culminating in the holding of its convention there in 1936.

### Thrift Certificate Sale Now Banned in Nebraska

LINCOLN, NEB.—The sale of thrift certificates with a life insurance attachment has been definitely banned in Nebraska according to John S. Logan, attorney for the insurance department. With the disappearance from the business picture of the Cosmopolitan Old Line Life, solicitation for this combination investment and life insurance certificate ended. All of the other companies that followed its example have transformed or are transforming their thrift certificates into annuity contracts, while the Lincoln Liberty Life, which reinsured the Cosmopolitan's life risks, will service the thrift certificates until the last expires.

The Cosmopolitan had a spectacular success for several years while alone in the field, and sold thousands of certificates. The buyers of the first 10 year maturing certificates secured satisfactory returns, but towards the end, due largely to investment conditions, maturities carried but a small interest return and it is regarded as doubtful if all still in force will return the amounts paid in. The Cosmopolitan difficulties were largely brought about by optimism on the part of the management that led to the payment to maturing certificate holders a few years ago of moneys

which the courts later decided belonged to later maturities.

The growth of the idea was largely confined to Nebraska. Bitterly fought in the beginning by insurance interests, several of them later started writing thrift certificates, but did not continue long.

Mr. Logan says that these thrift certificates differed from installment certificates in that the latter bear a guaranteed interest return, while the former followed closely the old tontine idea, that of alluring purchasers with the hope of others lapsing and giving them big returns. Life insurance, he says, was improperly joined because life insurance is also a guaranteed contract. Failure of the thrift plan was also due, he thinks, to a basic weakness, that maturities of ten years failed to take into consideration the hazards of investment experience over so long a time.

### Asks About Missouri State Suit

ST. LOUIS—Superintendent Robertson has asked the circuit court for instructions as to whether he should proceed with the \$850,000 suit brought against certain directors of the old Missouri State Life, filed by his predecessor, R. E. O'Malley, more than two years ago.

O'Malley's suit against 13 directors of the company charged them with responsibility for an \$800,000 loan made by the company in 1932 to Insurance Equities Corporation, which enabled Julius H. Barnes and associates to acquire control of the Missouri State Life. The directors' action had been approved by the then superintendent, J. B. Thompson.

### Study Hospitalization Plans

HARTFORD—A number of group companies are experimenting to develop hospitalization plans which will adequately and inexpensively cover employees and their dependents. Progress has been slow, especially because of prohibitive laws in some states and uncertainty about those in many others. The plans are quite complicated and expensive, and it will take considerable time to find out just what combinations of coverage will prove most attractive to both employers and employees, according to Henry Beers, Aetna Life vice-president.

### Life Advertisers Recruits

Membership in the Life Advertisers Association has now reached the highest point since it was organized. The total number of companies now stands at 103 and individual memberships at 150. New companies to join are the Presbyterian Ministers' Fund, Philadelphia; Oregon Mutual Life, Portland, Ore.; Western Life, Helena, Mont.; Confederation Life, Toronto; Occidental Life, Raleigh, N. C., and the Western Empire Life, Winnipeg, Canada.

### Boston Claim Men's Outing

The Boston Life & Accident Claim Association's outing was held at Swampscott, Mass., with a large attendance. There was a short meeting early in the afternoon, the rest of the day being devoted to recreation. P. E. Tumblety, Columbian National Life, presided at the dinner and introduced H. B. Fowler, General Accident, and George B. Smith, Monarch Life, who served on the committee with Mr. Tumblety in arranging the outing. John W. Ayer, New England Mutual Life, president of the Boston association, also was introduced. It was voted to send a telegram of greeting to President Edward Millea of the International Claim Association.

### Penney to Lincoln National

The Lincoln National Life has opened offices in the Provident building, Chattanooga, Tenn., with H. T. Penney as general agent. He has been district manager in Chattanooga for the Jefferson Standard Life and before that time was with the Penn Mutual and Pacific Mutual.

## Courts to Settle Status of Agents Under Labor Law

(CONTINUED FROM PAGE 1)

There is nothing in the state labor law, or in the national labor relations law for that matter, to force either the employer or the union into an agreement. The law, however, does specify that the union and the employer shall bargain collectively and the state labor board, like the national board, has taken this to mean that bargaining must be "in good faith." That is, the board considers that there must be good faith or there is no collective bargaining. This means that an employer cannot just go through the motions of negotiating with a union and then refuse to meet any of the union's demands. Any such attitude would be construed by the labor board as failure to bargain "in good faith," particularly if the union showed a disposition to meet the company on a middle ground.

### Contempt of Court Is Club

If after negotiations have been carried on and the union considered the company to be failing to act in good faith, it could go to the state labor board and if the board considered the union's position justified, it could take the matter to court and have the employer held in contempt of court, providing the court agreed with the board.

In addition to the question of the Doyle-Neustein act being limited by old labor law definitions, the Metropolitan has also raised the point that the labor relations board violates the New York state constitution, which enumerates the number of civil departments in the state government and forbids the state legislature's creating other departments, although it does permit the legislature to increase or add to any powers which any department may possess. Those who hold that the state labor board is constitutional point out that it is part of the state labor department, since the industrial commissioner of the state has certain powers of control over its work. However, he has not administrative control, that is, the decisions of the board are not subject to review by the industrial commissioner but only by court.

### "Bargaining Unit" an Issue

Another point which the Metropolitan might fall back on if other contentions are denied, is that the state labor board was wrong in its selection of a bargaining unit, that is the amount of territory which should be taken in for the purpose of negotiations and contracting. When the labor board was deciding how much territory should be included in the election to determine the collective bargaining agent, the Metropolitan wanted the entire state of New York to be the unit.

Whatever the company's reasons for this stand may have been, it is obvious that the C. I. O. union would have had little chance of winning an election which included all of New York state, since the union's strength is practically zero outside of the five boroughs of New York City, to which the union wanted the election confined. The American Federation of Labor union wanted the election to cover only the borough of Richmond, which is Staten Island, and by far the least populated of the city's five boroughs.

As a matter of fact the board did not decide in anybody's favor. In such cases it is up to the board to decide what is a reasonable unit and the board finally selected not only the five boroughs of New York City, but also Nassau and Suffolk counties in Long Island and Westchester county, all of which adjoin New York City and might be considered part of the metropolitan area. In defense of its choice the board pointed out that the company itself regards this territory as an administrative unit.

The election was extremely close and while the board's decision not to include

## New Bankers Life Building



Modern design with emphasis on vertical lines will feature the new home office building of the Bankers Life, Des Moines, the architects' drawing of which is shown. The building will be E-shaped with the main entrance facing south on High street. Wings will extend north on both 7th and 8th streets. There will be a central wing, also extending north from High street, to house the elevators, stairways and rest rooms.

It will have a frontage of 240 feet on High street. The east and west wings will extend north 94 feet. The front of the building will set back 40 feet from

the High street sidewalk while the setback on both Seventh and Eighth streets will be 20 feet.

The building will have six floors above grade and the main portion will be 110 feet high. It will be occupied exclusively by the Bankers Life home office organization of approximately 600 employees. The building will be faced with polished granite for 23 feet above grade line with the remainder in limestone. Estimated cost of the building is approximately \$1,500,000. Actual construction is expected to get under way early this fall.

the entire state of New York was of course what made it possible for the C.I.O. to win the election, it is also true that the board's decision that the unit should include Nassau, Suffolk, and Westchester as well as the five boroughs of New York City very nearly caused the union to lose the election, for the union's margin was only some three dozen votes out of a total of approximately 2,500 votes cast in the election.

### Objection to "Exclusive" Bargainer

Then, there is a final contention made by the Metropolitan to the labor board that it is unconstitutional to allow a majority of employees in a bargaining unit, however appropriate that unit may be, to become the exclusive bargaining agent for all employees in the unit.

One thing emerges definitely from the activities of unions among the industrial companies, and that is that strikes and other forms of agitation have little chance of amounting to anything. The C.I.O. strategy is essentially to tie up some key operation and cause the whole works to shut down. That is what was done in the automobile factories. However, there is no such bottleneck in the insurance business. If the agents in New York City were to go on strike there would still be plenty of business coming in from the rest of the country.

### Little Support from Public

Then, too, they would very likely find themselves out on a limb as far as getting public support goes. If the public stopped to think about it at all, it must know that paying insurance agents more money means that insurance will cost more, and the idea has been pretty well spread around that industrial insurance already costs more than it should. Only those who are fanatically devoted to the union idea are likely to insist on better treatment and higher wages for industrial agents when they know that they, the policyholders, will have to pay for it themselves.

There are constantly recurring reports that more and more of the abler industrial agents are becoming cool to the

union idea, since the logical outcome of the union principle is for the abler men to carry the load for the marginal producers. How much there is to these reports, however, is extremely difficult to ascertain because of the scarcity of completely unbiased information.

## Competition from Thrift Plans Cut by SEC's Action

(CONTINUED FROM PAGE 1)

down payment of \$10 had been made by a purchaser his life was immediately insured for definite amounts ranging from \$1,200 to \$2,000 for each \$10 monthly plan, whereas actually there is nothing in the plan to guarantee any sum being paid to the beneficiary, the plan merely providing that the insurance would take care of unpaid installments. The beneficiary would be entitled only to the trust shares themselves or to their market value, there being no arrangement for the payment of any specified amount to the beneficiary.

### "Certainty" Representations Criticized

The gist of the SEC charges was its contention that the Financial Independence Founders salesmen represented that the monthly plans they were selling would have a "certain definite, determinable future value, when, on the contrary, their value depends solely on the fluctuation market value of the investment trust certificates held in trust."

Following is SEC's own summary of how Financial Independence Founders operates:

"By way of explanation, the commission charged that the purchaser of a monthly payment certificate is required to make installment payments to the Pennsylvania Company for Insurance on Lives and Granting Annuities of Philadelphia, as trustee of the plan, and that the Pennsylvania company retains from 90 to 98 percent (depending upon the type of plan) of the first seven install-

ment payments to meet the various sponsors' service charges, trustees' fees and so forth. Thereafter the Pennsylvania company invests the remaining payments, less trustees' fees, in securities of another investment trust known as Diversified Trustee Shares, Series D, the selling prices of which includes a 'load' or overriding commission of better than 9 1/4 percent of the market value plus odd-lot premiums, brokerage and transfer fees and transfer taxes of the securities in the portfolio of Diversified Trustee Shares, which also must be borne by the purchaser. Approximately 65 percent of the 'load' inures to the benefit of Financial Independence Founders, Inc. and 35 percent to American Trustee Shares Corporation, the sponsor and depositor of Diversified Trustee Shares."

### Employ 325 Salesmen

According to SEC's statement, the Financial Independence Founders, which has its principal office in New York City, has 12 branch offices in New Jersey, Connecticut, Massachusetts, California, Pennsylvania, Washington, Maryland and Illinois and has a sales organization of some 325 men and women.

### General Investigation Seen

It is believed that the SEC will shortly start a general investigation of all so-called thrift plans. Even though they were all to comply with the conditions agreed to by the Financial Independence Founders, the pattern which some of these plans follow embodies some features which the SEC officials do not like. The main objection is that the plans involve the erection of a trust on a trust, which means pyramiding of management fees, service charges, loading charges and other expenses.

One of the most striking points of difference between a thrift plan of this general type and a life insurance contract is that there is no fixed surrender or maturity value in the thrift plan. What the investor has is a share of the securities making up the thrift institution's portfolio.

### High Values Claimed

The SEC's records in its proceedings against the three thrift organizations it has haled into court indicated that certain salesmen were claiming maturity values as high as \$2,000 and even as high as \$2,500. However, members of the SEC staff prepared figures based on market performances for the last five years which showed that a similar behavior of the market in the future would result in the shares being worth \$1,219.46 at the end of the 10 years for each \$1,200 paid in. If the creditors' group insurance feature were not included, the maturity value would be \$1,311.47. While more favorable market conditions might result in greater appreciation there would also be a hazard of getting much less than what was put in if market conditions were bad at the date of maturity.

For less than \$10 a month a man 35 years old can buy, on a guaranteed cost basis, a 10 year endowment in a representative life company which will guarantee to pay him \$1,250 on maturity or the same amount to his beneficiary if he should die any time during the premium-paying period. There would be no question of market conditions affecting the value of the investment. In addition the life insurance has the advantage of the settlement options for distribution.

### Unauthorized Practice Committee

The American Bar Association standing committee on unauthorized practice of law will meet in Chicago July 15 with a special contact committee representing all American insurance interests to secure further data on the lawyer-adjuster issue so that a comprehensive report can be made to the annual report of the American Bar Association in Cleveland, July 25. The two groups met in Washington, D. C., in May, but the subject was found so complex as to demand further study.



## Leaves Life Company for Advertising Agency



ROBERT G. RICHARDS

Robert G. Richards, agency secretary of the Atlantic Life since 1927, has resigned to join the advertising agency of Livermore & Knight, for whom he will act as copy and plan executive at their Providence, R. I., office, specializing in life insurance accounts. Livermore & Knight have been active in life insurance advertising for more than 20 years, and handle the national advertising account of the John Hancock Mutual Life.

Mr. Richards is well known in insurance advertising circles, having been general program chairman for the convention of the Life Advertisers Association last September at Old Point Comfort. The past year he has been a member of the executive committee of that organization. He has been an exponent of the movement for public education on the part of the institution of life insurance, and has published several articles on the relation of life insurance to social security.

Educated at Harvard University, from which he received the degrees of A. B. and A. M., Mr. Richards passed the C. L. U. examinations in 1929 and the agency management examinations in 1934.

### Whitney Stoddard Promoted

W. W. Stoddard, a leading member of the Indianapolis agency of the Massachusetts Mutual, has been appointed general agent in South Bend to succeed E. A. Schafer, veteran general agent. Mr. Stoddard's appointment, effective Sept. 1, is in line with company practice of making promotions from its own ranks whenever possible. He became associated with the Indianapolis agency in 1927, soon became one of the leaders in new business, and for more than six years maintained a consecutive weekly production record. Although much of his time was given over to supervisory duties in later years, he has always found time for a substantial personal production. Mr. Stoddard was born in Paris, Ill., in 1893.

Mr. Schaefer's service with the Massachusetts Mutual dates from 1899 when he joined the Indianapolis agency. Since 1905 he has been in charge of the South Bend office. He will continue with the agency as associate general agent.

### Berkshire Campaign Projected

Walter Boireau, general agent Berkshire Life in Boston, and William Carroll, general agent in New York City, were in Albany conferring with James O'Brien, general agent there, on the details of the special July effort, nationwide, to be known as the independence campaign. Mr. O'Brien is chairman of the committee.

## North Central Round Table of Life Advertisers Body Announces Chicago Program

The program is announced for the meeting of the North Central Round Table of the Life Advertisers Association to be held in the Palmer House, Chicago, July 22. The list is as follows:

### Morning Session

"The Possibilities in the Planographing Process," J. J. Prather, agency secretary American Mutual Life, Des Moines, formerly Yeomen Mutual.

"Telling the World," Fred Fisher, advertising manager Lincoln National Life, "Whose Job Is It—Yours or Mine?" Ben Williams, assistant superintendent of agencies Bankers Life, Des Moines.

"Movies Move the Multitudes," M. E. Zetterholm, General Screen Advertising, Chicago. Mr. Zetterholm will present a screening of "Minute Movies," produced by six of the nation's leading national advertisers.

### Lunch

"What Are We After?" C. J. Zimmerman, general agent, Chicago, Connecticut Mutual Life.

### Afternoon Session

"The Actuary Looks at the Sales Promotion Formula," P. C. Irwin, assistant actuary Equitable Life of Iowa.

"Action!—Camera!" Valentino Sarra, famous commercial photographer, Chicago.

"The Rise and Fall of \$4,000." Harry V. Wade, vice-president American United Life, Indianapolis.

### Gauss Temporary Receiver

LANSING, MICH. — Commissioner Gauss of the Michigan department is appointed as temporary receiver for the American Life of Detroit.

Commissioner Gauss, who is permitted under the order to name a deputy commissioner to represent him in active charge of the business, is allowed to continue the operations with such powers as the court may grant from time to time. The court reserves full jurisdiction over the company during the receivership period. Commissioner Gauss said he would appoint the active receiver "within a few days" to take over supervision of the affairs.

### Can Advertise in Nebraska

LINCOLN, NEB. — The Guaranty Union Life of Beverly Hills, Cal., has asked Insurance Director Smrha if the insurance laws or any other statute forbid acceptance by newspapers of its advertisements offering insurance by mail. The company is organized under California laws, is under the supervision of the department of that state, and accepts service through federal courts. Mr. Smrha replied that Nebraska laws contain no prohibition of such advertising but that newspapers should make full inquiry before accepting advertising from outside.

### Jurgensen's Filing Rejected

LINCOLN, NEB.—Secretary of State Swanson, acting on the advice of Attorney General Hunter, declined to accept from W. H. Jurgensen, former president of the Western Union Life, a filing for renomination for lieutenant governor. The attorney general held that the recent decision of the supreme court holding that his office had been vacant since March 7, when he was convicted of embezzlement, and that in the eyes of the law he stood a convicted man, had destroyed his civil right to run for office because a felony conviction robs a man of his citizenship.

### Illinois Figures Given

Mutual benefit assessment associations and burial organizations in Illinois show as of Dec. 31, 1937, according to the preliminary sheets of the state insurance department, assets \$307,147. Liabilities were \$105,419. There is a total of 91,214 members and the benefits in force are

\$63,815,074. The total income was \$1,218,527, disbursements \$1,136,538. The largest in membership are the Great United Mutual Benefit of Centralia, 10,420, and the Lafayette Mutual Benefit of Chicago, 14,991.

### Short Course in Insurance

Short courses in insurance under auspices of the University of Florida were approved by the state board of control. From July 5 to 8 a short course in fire, casualty and surety was held at Hollywood, sponsored by the Florida Insurance Agents Association, and July 15-16 a short course in life insurance will be conducted.

### Ohio Taxes Over \$6,000,000

COLUMBUS—A statement just prepared shows that in 1937 insurance companies doing business in Ohio paid state taxes of \$6,021,220. In addition, license fees collected were \$250,230. This is

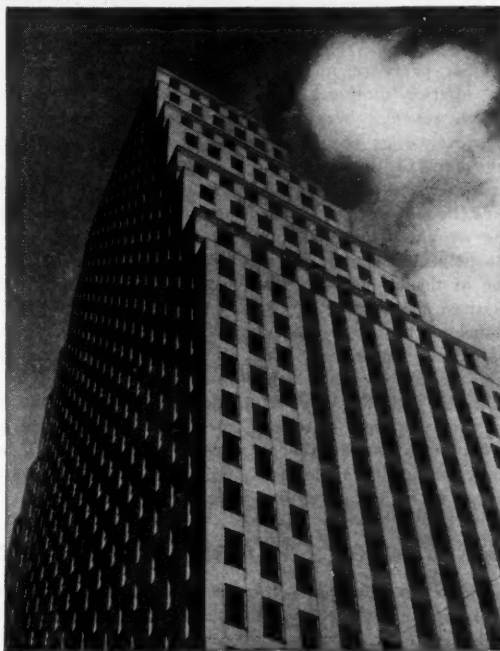
more than one-fourth of the operating budget of the state. Only one other business, public utilities, is more heavily taxed than insurance. In 1937 the appropriation for the insurance department was \$148,945, and in 1938 it was cut to \$136,945.

### Investing in FHA Mortgages

Approximately \$3,000,000 has been placed by the Northwestern Mutual Life in mortgages of FHA sponsored multiple housing units which are being constructed in various parts of the country with private capital, M. J. Cleary, president, states.

He said the Northwestern Mutual might invest between \$10,000,000 and \$12,000,000 in such mortgages if they are on projects satisfactory to the company.

He said the well managed and suitably located housing projects should have no difficulty in meeting their financial requirements.



## Business Men View with Favor —

Business men, accustomed to seek utmost return in essentials per dollar invested, are turning to new Family Income Convertible Plan — for many the unquestioned "best buy."

Includes, for example,

\$10,000 protection up to age 65 (convertible to that age) at one-fourth less than rate for ordinary life, plus

additional protection, assuring \$100 a month during children's dependency, at still lower rate.

Potential benefits, \$10,000 to \$34,000. Premium, age 35, \$226.10.

## Connecticut General Life Insurance Company

Hartford, Conn.

## EDITORIAL COMMENT

### Defending Life Insurance From Attacks

AT THE meeting of the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS in Quebec, at the hearing given by the so-called "insurance publications committee," of which Superintendent BOWEN of Ohio is chairman, the point was made by some of the commissioners that life insurance had not defended itself in attacks on it as it should. This committee was created largely to study the assaults made on legal reserve life insurance over the radio and through books and pamphlets. There seems to be a plethora of such unfriendly material at hand largely because people are questioning as they never did before their investments and insurance. These onsets, for the most part are made by those with an ulterior motive. They either come from revenge because of some fancied grievance or the authors realize that anything in the way of a sensational expose creates attention and therefore makes books and pamphlets sell. So far as we know there has not been an honest, helpful review of life insurance by one of these snipe-shooters. In some cases these attacks are for the purpose of disturbing the policyholder's mind as to his existing insurance. The way is paved for a twister. Then some system is established with "experts" and "consultants" and through specious analyses an attempt is made to show that some changes should be made, policies should be cashed in or radically re-

adjusted, thus paving the way to a commission for someone.

ROGER B. HULL, manager of the NATIONAL LIFE UNDERWRITERS ASSOCIATION, in his talk before the committee declared that if company officials or agents attempted to defend themselves from these attacks their voices would not be listened to and they would be discredited as partisans. Some of the commissioners took an opposite view and said it was the duty of life insurance people if they were maligned unjustly, to come into the open, tell the truth courageously and fearlessly. No one need fear telling the truth about life insurance, was the opinion expressed. Therefore, it was urged that the life insurance men defend themselves, get prepared to fight back and let the public have the facts.

The PHILADELPHIA ASSOCIATION OF LIFE UNDERWRITERS evidently has been busy through its public relations committee because it ascertained that one of the radio stations had signed up a four weeks broadcast where life insurance would be "exposed." Studio officials were visited by members of the committee who explained what was back of the broadcast and convinced the station that it would be doing an injustice to allow it to become the medium for this form of public warfare on a great business. This, then, is a practical way to fight those who are sniping at life insurance.

### Do Critics Practice What They Preach?

THERE seems to be an epidemic at the present time of pamphlets, books and brochures brought out by people attacking life insurance. After all the basis of the attacks rests on the argument that it pays one to take out low cost or pure protection life insurance and do his investing himself. In other words, these people would eliminate entirely the so-called investment end in life insurance. In many ways this has an appeal to the casual reader. As a matter of fact, the suggestion never works out successfully.

One of the greatest exponents of this very plan was the late JAMES P. SULLIVAN of the famous GILBERT & SULLIVAN firm of Philadelphia. Mr. SULLIVAN appeared before legislative committees backing up his position. The last time that this writer saw Mr. SULLIVAN was in the Chicago office of the Illinois insurance department where he was delving into annual statements of life companies endeavoring to find points of attack. He had been up at the MAYO CLINIC. He looked disconsolate and remarked that he had lost all his money

that he had, which was not so much, in the Philadelphia venture and his GILBERT & SULLIVAN partnership. He added that he hoped to get on his feet in some way or other.

Not long after that Mr. SULLIVAN died. He had carried considerable life insurance in his day but as times grew harder and his income decreased he cut it down until at the time of his death he had about \$10,000 of insurance on the ordinary life plan. One company advanced some money at the time of his death to his family to meet immediate needs. Therefore the great exponent of pure protection life insurance and "invest your money yourself" died without any investments, not enough money even to pay funeral expenses and his only saving was his ordinary life policy. "Life Insurance Courier" prints some interesting information in regard to Mr. SULLIVAN. It says:

"Naturally it is impossible to secure complete information about any man's insurance estate unless he is willing and able to give out the information. Never-

theless, certain information has been discovered about the affairs of the late JAMES P. SULLIVAN, one of the authors of Your Life Insurance—and What to Do About It. The facts have been verified as thoroughly as possible, and all doubtful points eliminated. After a considerable investigation it is now possible to state the following well-substantiated fact:

"At the time of his death last year, SULLIVAN had more than \$10,000 of insurance in force in policies of the ordinary life type. At least part of this had been continued during the past few years by means of premium loans, though extended term insurance might logically be expected to be more attractive to a man who believed in term insurance and who undoubtedly knew that the extended term option in a life insurance policy is based on net rates. At least part of SULLIVAN's insurance estate came from policies which had originally been issued as term insurance at a time when he believed in high-premium insurance and which had later been converted to high-premium plans. At least part of his insurance estate was revised and arranged on a 'cash value' plan of insurance during the period when he was busy advising others to take only term insurance.

"All this from the 'high priest of term insurance'! Can the lesser members of the hierarchy be expected to be more sincere. JAMES P. SULLIVAN had studied mathematics at the UNIVERSITY OF CHICAGO, he had worked in the actuarial department of an Illinois company, and he had been actuary of a small western company. During the years when he was familiar with the mathematics of life insurance, he wrote a pamphlet urging bankers to advise their clients to take plenty of life insurance with high cash values. His own insurance estate shows that he practiced what he then preached.

"It is hard to follow the transition that occurred in his viewpoint after he ceased to deal with the precise, careful thinking required in mathematical work. It seems impossible that any person who has ever calculated premium rates and cash values could ever lapse into such slipshod ways of thought about life insurance; in fact this even makes it seem doubtful whether SULLIVAN, in his own mind, ever actually believed the things he wrote about life insurance after 1930. Certainly his life insurance estate shows that he did not practice what he preached in his last few years of life."

## PERSONAL SIDE OF BUSINESS

W. L. Bean, 72, district manager Great Northern Life, Escanaba, Mich., died there. He had been with the company there 12 years.

J. H. Torrance, vice-president Business Men's Assurance, has been named chairman of the church cooperation committee of the Charities Campaign in Kansas City. He has been in charge of the division for eight campaigns.

S. F. Clabaugh, chairman of the board of Protective Life, Birmingham, Ala., was elected treasurer of Kiwanis International at the annual convention in San Francisco.

Vice-president Lee J. Dougherty of the Occidental Life, in charge of middle western territory, visited the home office in Los Angeles. He will sail July 9 along with Mrs. Dougherty and their daughter, Alice, for an European tour. While he is away the field force is putting on a sales drive in honor of Mr. Dougherty. The drive is in charge of L. F. Wellman, general agent at Quincy, Ill.

P. R. Marshall, Lima, O., general agent Midland Mutual Life, is very ill with a streptococcal infection of the throat, but his condition is showing improvement.

Julian S. Myrick, manager of the Mutual Life of New York in New York City and former president of the National Association of Life Underwriters, who is a former president of the United States Lawn Tennis Association and former chairman of the Davis Cup committee, still retains his interest in tennis activities and was one of the chief factors at the recent meeting of the Inter-

national Lawn Tennis Federation in London in defeating proposals to put the Davis Cup competition on a biennial basis.

S. A. Olsness, who for many years was insurance commissioner of North Dakota, is now giving all his attention to his farm. He is a bachelor, gets his own meals and keeps his own house.

Among the more than 600 poets included in "The Poetry House Anthology," published recently by Poetry House, New York, is S. B. Love, long manager at Richmond, Va., for the Mutual Life of New York, now retired. Mr. Love's poems have appeared in a number of publications.

R. M. Saxon, president Southern National Insurance of Little Rock, recently was married to Miss Martha Fontaine Walker of Newport at St. Paul's Episcopal Church there. They went on a honeymoon trip to Mexico City.

Agents of the United Life & Accident from five general agencies, in southern Massachusetts, Rhode Island, and Connecticut, participated in a drive to honor L. D. Benson, field supervisor for these agencies.

All agents who took part attended a luncheon in Hartford, on Mr. Benson's birthday, June 15. In attendance from the home office were W. D. Haller, secretary and agency manager; D. B. Whiting, actuary, and J. M. Hertz from the agency department.

George Cowton of Grand Island, former president Nebraska Association of Insurance Agents, has filed as a candidate for the office of regent of the state university, a non-political, non-salaried

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position. Two are to be elected. One of his opponents is **Stanley Long**, president Pathfinders Life of Grand Island, new president of the board of regents, serving his first term.

**Shepard E. Barry**, comptroller Northwestern Mutual Life, has been elected a director of the Milwaukee control of the Controllers Institute of America.

**Dr. A. A. Willander**, medical director Mutual Trust Life, is devoting part of his vacation to visiting various eastern agencies. He attended a large and enthusiastic gathering of Connecticut agents at New Haven's Savin Rock at which President Edwin A. Olson was present and spoke.

Honoring **C. R. Garrett**, general agent of the Northwestern Mutual Life, who takes a similar position in Peoria, Ill., agents from 26 counties in northwestern Iowa gathered at a banquet in Sioux City, Ia. They presented Mr. Garrett with a plaque on which the names of the agents working under the Sioux City office were inscribed. Speakers were

**Grant L. Hill**, director of agencies; **J. J. Hughes**, Des Moines general agent; **J. Gabb**, Fort Dodge banker; **Arthur Whitfield**, Sam Simonsen, A. O. Sundquist and Ross Beekman of Sioux City.

**E. B. Dudley**, Chicago branch manager Travelers, is on vacation with his family at his cabin on Basswood Lake, near Ely, Minn.

Messages received from **W. T. Grant**, president of the Business Men's Assurance, who with Mrs. Grant is spending three months in Europe, indicate they are having a fine vacation. In the two months they have been away, they have traveled through Austria, Czechoslovakia and Germany, and during the greater part of May they were in Italy and Switzerland. In a telegram received from Mr. Grant on June 28 he reported they had arrived at Paris that day where they joined their son, William, and if nothing interferes with their plans they hoped to reach England this week. Mr. and Mrs. Grant plan to return to Kansas City about Aug. 1.

## LIFE AGENCY CHANGES

### Will Head Largest Agency

**Samuel E. Mooers Becomes Manager of the Washington, D. C., Office of the Acacia Mutual Life**

The Acacia Mutual of Washington, D. C., announces that **S. E. Mooers**, who since the death of the late **Ben A. Har-**

sociation; a member of the Washington Board of Trade.

The District of Columbia branch leads the entire field of Acacia Mutual agencies, and paid for considerably more than \$5,000,000 last year, and had at the end of May, 1938, practically \$30,000,000 in force.

### Talmage Smith Is Appointed Manager for Oregon

**Talmage Smith**, supervising assistant of the Katz agency, Mutual Life of New York, in Portland, Ore., has resigned and has been appointed manager for Oregon by the Fidelity Mutual Life.

**K. S. Reed**, the retiring manager, who for many years was an outstanding personal producer in Portland, is remaining with Mr. Smith as special representative.

Mr. Smith went to Portland early last year with the Mutual Life of New York and shortly thereafter was appointed supervising assistant. Prior to that he was for some time agency organizer for the Mutual Life in Chicago under the late **R. E. Spaulding**. Mr. Smith also was active in the C.L.U. chapter and Life Agency Supervisors of Chicago.

### Weber Cleveland Manager

**E. Clare Weber** has been appointed manager in Cleveland for the Fidelity Mutual Life with offices at 1002 Keith building. Born in Canton, O., he is a graduate of the University of Michigan, where he majored in economics. Following graduation, he was engaged in research and sales work until he entered the life insurance business in Cleveland with Fidelity Mutual in 1931.

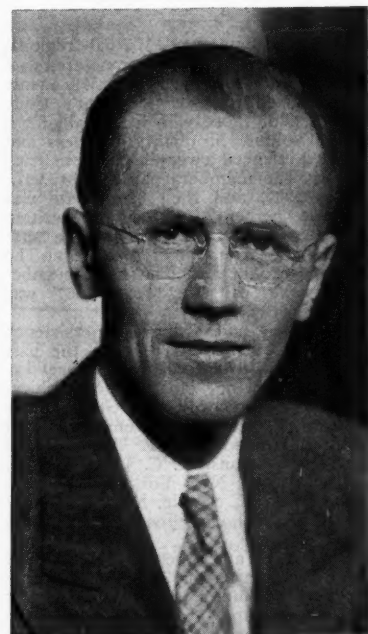
### Boalt Named at Nashville

The New England Mutual Life has appointed **E. A. Boalt** general agent at Nashville, Tenn., to succeed the late **D. G. Brandon**. He has been supervisor of the Cincinnati agency under General Agent **Guy D. Randolph**. He formerly lived in Tennessee for some years.

He was born in 1896 in Cincinnati and was educated in the engineering college of the University of Cincinnati. He moved to Knoxville in 1921 but returned to Cincinnati in 1932 and that year Mr. Boalt became a member of the New England Mutual's agency. He received the C.L.U. designation in 1936.

### Clifford Orr in Charge

**C. B. Palmer** of Wilmington, Del., manager of the National Life of Vermont for Delaware, and Cecil county, Md., is retiring after 29 years' service and will devote his attention to personal production, retaining his headquarters at



SAMUEL E. MOOERS

lan has nominally been in charge of the District of Columbia branch, has at his own request been relieved of his official duties as secretary of the company to devote his entire time to the further development of the branch.

Virtually all of Mr. Mooers' business life has been spent with the Acacia Mutual. He began his service with the company some 14 years ago in the actuarial department and has since served in practically every major department. He later became secretary to the president, and eventually secretary. On two separate occasions, he was acting head of the agency department for extended periods.

In addition to being a C.L.U., Mr. Mooers is a graduate of the Life Insurance Sales Research Bureau's 1938 school in agency management; a director of the Life Office Management As-

**Know your family's SEVEN VITAL NEEDS**  
...to make your premium dollars go further!

Get the "Family-needs Forecast" now so that every father can give his wife and children the wisest, most far-reaching protection without his means. Union Central Life has developed a wholly new service. It is the "Family-needs Forecast"—a remarkably simple method for finding out just how well your life insurance would meet your family's inescapable needs. The "Family-needs Forecast" is based on our intimate knowledge of several million fatherless families, over a period of more than 70 years. There is near you a Union Central Life representative, capable and understanding, who will be glad to show you how to use this Forecast—how you yourself can check your life insurance against the actual needs it might suddenly have to meet. No cost or obligation—just mail the coupon.

*I would like to see the Family-needs Forecast*

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_

**The UNION CENTRAL LIFE Insurance Company**  
CINCINNATI, OHIO

## What the X-RAY is to medicine ... the FAMILY-NEEDS FORECAST is to life underwriting

**T**HE Family-needs Forecast is a simple device that lets the underwriter make an "X-Ray" diagnosis of the prospect's needs . . . a diagnosis that is truly professional in its clarity and accuracy.

With this Forecast the underwriter can show the prospect *all seven* of the vital needs that might suddenly confront his family. And he can give an analysis, so clear and striking that it leaves no room for doubt, of how well the prospect's present insurance could cope with those seven needs.

But that's not all. The Forecast makes it possible for the underwriter to prescribe for the future so understandingly and so accurately that the prospect cannot fail to give full consideration to his recommendations. And in an abnormally high percentage of cases, this consideration results in a good-sized sale.

**The UNION CENTRAL LIFE Insurance Company**  
CINCINNATI, OHIO

Wilmington. Clifford H. Orr of Philadelphia takes over the Palmer territory. B. H. Nacey of Newark, Del., will be office manager at Wilmington. Mr. Orr gave a dinner in honor of Mr. Palmer attended by a number of citizens and life insurance men of other companies as well as agents of the National Life.

### Is Joining the Bankers Life

**Arthur C. Humphrey Is Appointed Agency Manager of the St. Louis Office—From Northwestern Mutual**

The Bankers Life of Iowa has appointed Arthur C. Humphrey, agency manager in charge of its St. Louis office. He goes to the Bankers Life after 13 years in life insurance, all as a member of the Northwestern Mutual's St. Louis agency. He was its supervisor for three years. He organized the first C. L. U. study group in St. Louis in 1930, conducted similar courses in 1936 and 1937, served as the first president of the local C. L. U. organization and two years on the board of directors of the



ARTHUR C. HUMPHREY

St. Louis Association of Life Underwriters.

Mr. Humphrey entered the University of Illinois, graduating from the College of Business Administration there in 1923. After two years as a salesman of office equipment, he became interested in life insurance and affiliated with the Northwestern Mutual.

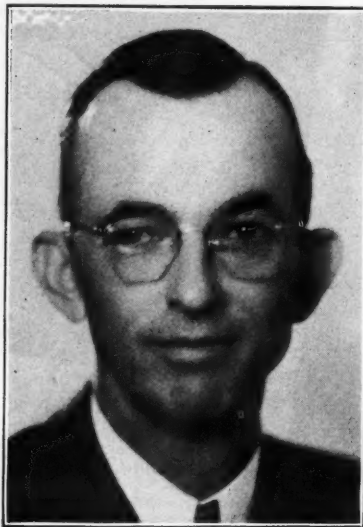
### Eaton to Bangor, Me.

A. G. Eaton of St. Paul has been transferred to Bangor, Me., as general agent of the State Mutual Life. He has been with the St. Paul agency of that company for six years and has been secretary-treasurer of the St. Paul Life Underwriters.

### Cincinnati Agent Goes to Cleveland

H. S. Hatfield has been appointed assistant general agent with I. B. Jackson, general agent Massachusetts Mutual, Cincinnati. Mr. Hatfield is a graduate of the Wharton School of Finance. He entered the business in 1924 at Bedford, Ind., where he served as agent and district agent for the Northwestern Mutual until 1931. From 1931 until 1934 he was supervisor in the Recht & Kutcher agency in New York City. In 1934 he became a personal producer with the W. J. Mack agency of the Northwestern Mutual in Cincinnati, where he has been up to the present time. Mr. Hatfield is the immediate past president of the Cincinnati Life Underwriters Association. Previously, he served as chairman of its program committee. He became a C. L. U. in 1935.

### Fort Smith, San Angelo Branches Combined



FELIX L. HARGIS

The Jefferson Standard Life has appointed F. L. Hargis as manager at Fort Worth, Tex., succeeding Jack Fenton, resigned. Mr. Hargis was formerly manager of the San Angelo office. The San Angelo territory is combined with the Fort Worth territory, Mr. Hargis directing the affairs of the newly created Fort Worth organization.

Mr. Hargis has been with the Jefferson Standard for many years, is a large personal producer, a capable organization man, is a committeeman in the National Association of Life Underwriters, and an outstanding citizen of west Texas.

### Moose to Occidental Life

**Former Commissioner Now Becomes State Manager of California Company for Nebraska**

Conn W. Moose, former Nebraska commissioner, has been appointed state manager of the Occidental Life of Los



CONN W. MOOSE

Angeles for Nebraska with headquarters in Omaha and will report directly to Vice-president L. J. Dougherty at Davenport, Ia., in charge of business in the middle west.

He began his insurance career at Portland, Ore., in 1910 as an agent of the Prudential, later becoming manager of ordinary agencies in Kansas and then ordinary agency instructor for the United States and Canada for three

years. From 1915-19 he was Nebraska general agent of the Security Mutual Life of New York and 1919-34 Nebraska and Iowa general agent of the Home Life of New York. He became Nebraska commissioner in 1935. For the past two years he has been doing agency work in the middle west for the Columbus Mutual Life.

### Lincoln National's Toledo Move

Dan W. Harris has been appointed general agent in Toledo by the Lincoln National Life. The new agency will have offices at 851-852 Edison building. He entered life insurance sales work in 1924 and after five years as an agent secured a general agent's contract. Since 1929, he has been the head of his own agency representing the Atlantic Life.

Mr. Harris was born in Toledo in 1896, and spent the first portion of his business career in the retail grocery and meat business in Rossford, a suburb. In 1918 he was in Buffalo, in charge of government production of all metal parts at the Curtiss aeroplane plant. He has been secretary-treasurer of the Toledo Life Underwriters Association for five years.

### Wilson California Supervisor

R. J. Wilson of Oakland has been appointed field supervisor of the Washing-

ton National for northern California. For the past year he has been associate state supervisor for the People's Life and prior to that was associated with his father, J. B. Wilson, as district director of the Great Western for four years.

After a successful career as a newspaper man, he entered the insurance field as a personal producer and still devotes much of his time to personal production.

### Stewart Made Agency Organizer

David Stewart, Jr., agency cashier, New York Life, Eau Claire, Wis., has been promoted to agency organizer in southwestern Minnesota with headquarters at Minneapolis.

### Pendleton Worcester Manager

R. L. Pendleton, assistant manager of the Kansas City, Mo., office of the Travelers for the last five years, has been made manager at Worcester, Mass.

Armand De Benedict, until recently with the West Coast Life, has taken charge of the life department in the Los Angeles office of Cravens, Dargan & Fox, general agents.

C. E. Black has been appointed district agent of the General American Life at Junction City, Kan., under the supervision of C. E. Cochran, Kansas City branch manager.

## LIFE SALES MEETINGS

### Cites Principle of Protection

**Ability to Meet Difficult Times Is Function of Life Insurance, Says President Loomis**

It is the very business of life insurance to meet difficult times, stated James L. Loomis, president Connecticut Mutual Life, in a message to the company's field men who met in conventions at 12 different points the last two weeks of June.

Pointing out this ability is the underlying principle of protection, Mr. Loomis said, "Whatever life insurance in the aggregate may be as a national asset, it is in its operation individualistic. It is not primarily how much prosperity or adversity may exist outside the family circle, but rather the condition within the circle when the emergency comes, that really counts. Then surely home is something more than four square walls. To the single family killed and wounded, a bombing raid is a great tragedy.

### Desire to Possess Increases

"In times of adversity, life insurance is at a high premium. The desire to possess it increases as income is threatened or grows less, and values diminish. Although prospects may have lower purchasing power, the wish to buy is certainly larger. Life insurance has advantage in this respect that does not pertain in equal degree to any other service or commodity." No form of financial structure more secure than a well managed life insurance company has yet been devised, he declared. It is the best and surest medium through which the buyer and those dependent upon him may obtain their greatest desire.

### Woods Agency Convention

Approximately 400 delegates and their wives are attending the annual educational conference of the Edward A. Woods Company, Pittsburgh general agents of the Equitable Society, at Ocean City, N. J., this week. Business meetings are being held in the mornings, with entertainment and recreation in the afternoons and evenings.

### Aetna Meet at Lake Tahoe

The Aetna Life will hold its western regional conference at Lake Tahoe, Aug. 29-Sept. 1. M. B. Brainard, president, and S. T. Whatley, vice-president, will head the home office contingent.

### Qualify for the High Club

**Connecticut Mutual Announces the High Men That Are Awarded Special Honors Due to Their Record**

At the Connecticut Mutual regional conventions which were completed last week, it was announced that 79 agents had qualified for the President's Club, composed of those who have paid for a sizable volume of quality business and have experienced a very high persistency record. The members paid for \$12,997,800 in 1937, and their lapse rate was under 5 percent for business written during 1936 and 1937. The average lapse rate for the group was 2.1 percent. The average production per club member during the calendar year 1937 was \$166,638.

Nine men had a perfect persistency record on business written in the past two years, with a total of 495 cases exposed and not one lapse. Those achieving a perfect record were: Stein Brothers, M. O. Stevens, Davenport; C. R. Darling, Houston; C. T. Trolin, Hartford; H. S. Irons, R. C. Jones and W. C. Stearns, Jr., New York City (Fraser agency); R. M. Saville, New York City (Gray agency) and Joseph Peilen, St. Paul.

Herbert E. and Theodore E. Stein of the Davenport agency had the outstanding record among those with perfect persistency and were awarded the Steiner cup for this achievement. Theodore Stein has been blind for many years, but in spite of this handicap has been one of the outstanding producers and has been the recipient of many honors and awards.

### Lincoln National Convention

**Eastern Conference Will Be Held Next Week—Many Home Office Men Will Be in Attendance**

The eastern regional convention of the Lincoln National Life will be held July 13-15 at the Grand Hotel, Mackinac Island, Mich. A. F. Hall, president; A. J. McAndless, executive vice-president; A. L. Dern, vice-president and director of agencies; C. F. Cross, second vice-president and manager of agencies; Dr. W. E. Thornton, second vice-president and medical director; S. C. Kattel, sec-



California, associate general counsel; J. J. Klingenberg, agency secretary; W. T. Plogsterth, director of field service; J. P. Carroll, superintendent of agencies; A. H. Hammond, superintendent of agencies; W. C. Brudi, agency auditor; D. B. Semans, chief underwriter; C. R. Ashman, associate actuary; W. O. Menge, associate actuary; F. L. Fisher, advertising manager; and G. M. Bryce, manager new business department, will represent the home office.

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Mr. Dern and Mr. McAndless will review the business. Mr. Plogsterth will lead a series of round table discussions, taking up various subjects. The second day's business session will be in charge of Mr. Cross and E. W. Owen of Detroit, manager of the Sun Life of Canada, will give a talk. A number of Lincoln National men will speak and Mr. Plogsterth will continue his round table discussion. The annual banquet and presentation of awards will be a feature. President Hall will deliver the main address.

#### To Visit Home Office

More than 40 agents of the Ohio State Life in Michigan will pay a visit to the home office in Columbus July 22-23, as guests of the general agents of Michigan. In addition to meeting the home office staff, the Michigan agents will be entertained at the Columbus Country Club, State Manager H. E. Van de Walker and E. H. Marshall, state supervisor, will be members of the party.

#### Equitable's N. C. Meeting

A district meeting of representatives of the Equitable Society in eastern North Carolina was held at Goldsboro. Obie Harmon, district agent, presided and John Pasco, head of the Raleigh-Roanoke agency, Raleigh, was the principal speaker.

#### Iowa Agency Entertains

E. C. Boyd, general agent Central Life of Iowa, Atlantic, Ia., entertained agents of the district at a dinner in Atlantic. E. H. Mulock, president, and Fred Lundeen, superintendent of agents, attended.

## COMPANIES

#### State Farm Life Elected Member

The State Farm Life of Bloomington, Ill., has been elected a member of the American Life Convention. This company, of which G. J. Mecherle is president, was organized in 1929 and is admitted in 29 states. It has nearly \$48,000,000 insurance in force.

#### Low Termination Record

The Pacific Mutual Life set a new low record of 4.82 percent in the rate of preventable termination of policies in the first quarter of 1938, thus showing a highly satisfactory trend in this regard. This figure compares with the average of 7.37 percent for 1937 and 6.49 percent for 1936. Included in the classification are all terminations, except through death and maturity, and all types of policies other than health and accident enter into the calculation. A comparison on the basis of pure life insurance only, shows the rate even lower at 4.42 percent.

#### Nebraska Suit Settled

LINCOLN, NEB.—Settlement for \$8,500 of the case of the Cosmopolitan Life against the Great American Indemnity was approved by the district court. The Cosmopolitan had sued for over \$10,000 on a bond given by the indemnity company to guarantee payment by the Federal Trust Company, now bankrupt, of interest on securities purchased from the latter by the insurance company. Director Smrha made the application for approval and the Lincoln Liberty Life,

successor to the Cosmopolitan, consented.

#### Postal L. & C. Change

KANSAS CITY—The Postal Life & Casualty, which does business principally by mail, has changed its structure from stipulated premium to the old line basis, and has increased its capital from \$25,000 to \$100,000. It does not contemplate any expansion of its activities.

#### Report on Publix Life

The Publix Life of Chicago, an assessment company, which commenced business Dec. 15, 1937, has approximately \$1,500,000 business in force among 860 policyholders. The company will insure only up to \$500, any excess being reinsured in the Alliance Life of Peoria. N. J. Kreizelman, formerly with the Commonwealth Investment and Finance Company and Lafayette Mutual Benefit Association in Chicago, is president.

#### Continental American Gains

The Continental American Life completed the first six months with 12.1 percent lead in new paid business over the first half of 1937. W. M. Rothaermel, agency vice-president announced. June gain was 10 percent over June, 1937. In every month of 1938 there has been an increase in new business over the corresponding month of 1937.

## News of Pacific Coast States

#### Trueblood to Move Branch

LOS ANGELES—Mark S. Trueblood, inspector of agencies Union Central Life for Pacific Coast territory, on July 1 moved the Los Angeles branch office from the Sun Realty building, 510 West Sixth street, to the Edwards & Wildey building, 609 South Grand avenue, in larger, more suitable quarters on the ninth floor. In addition to a good showing in the first half of June, the branch office's business showed an increase of 15 percent for the first six months.

#### Attended Sales School

Thirteen newly recruited salesmen, representing seven western agencies, attended a Bankers Life of Iowa district sales training school in San Francisco June 27-July 1. These men wrote new business totaling \$317,600 in their 12-week qualifying period. The school was held under the direction of Assistant Superintendent of Agencies Ben Williams.

#### Bisch Reports an Increase

E. G. Bisch, assistant manager of the B. J. Dickson agency of the Occidental Life at Los Angeles, reports a 200 percent increase for March, April, May and June. He is managing the agency while Mr. Dickson, his wife and daughter are spending six months in Europe. Mr. Bisch at one time was general agent in Ohio for the Equitable Life of Iowa, building a new agency at Dayton, O., up to \$3,000,000 yearly production. He later went to New York City becoming an agent for the New York Life. In 1935 he went to the Pacific Coast joining the home office agency of the Occidental Life of Los Angeles as unit manager.

#### C. H. Simpson's Increase

C. H. Simpson of Long Beach, Cal., agency manager of the Minnesota Mutual, announces that his organization closed the six months with a 31 percent increase as compared with the similar period last year.

#### Fitzgerald With State Mutual

C. M. Fitzgerald, formerly assistant manager of the Benjamin Franklin Life, has taken the California general agency

representing the State Mutual Life of Los Angeles, a local company there writing life, accident and health. It was organized in 1929 and operates under Chapter 9 of the California insurance code. The Fitzgerald Insurance Agency is located at 318 West 9th street, Los Angeles.

#### Clarifies Michigan Provision

LANSING, MICH.—Confusing phraseology of the present Michigan statute relative to capitalization requirements for companies writing health and accident and burial benefit business on a monthly premium plan is clarified as to meaning in a current informal opinion furnished the insurance department by the attorney general. It is held that this type of health and accident carrier, if capitalized at the minimum amount permitted under the law, must furnish additional capital if it is to be licensed for burial benefit lines, also. Several companies, department officials said, have expressed the wish to write both lines but Commissioner Gauss was uncertain whether he could permit broadening of their authorization without a capital increase.

#### Union Central Agents' Status

The Union Central Life has secured a ruling from the Treasury department

## Angus C. Littlejohn Commits Suicide—Faced Prison Term

SPRINGFIELD, ILL.—Angus C. Littlejohn, 50, former insurance executive killed himself here rather than to go to the federal prison at Lewisburg, Pa., to serve eight years for having used the mails to defraud. He fatally wounded himself with a pistol shot in the garden of his home shortly before he was due to surrender to the United States marshal.

He was indicted by the federal grand jury three years ago following an investigation into the affairs of the National Aid Society, a mutual benefit assessment association he headed. After a trial that lasted six weeks in 1937 he was convicted of using the mails to make fraudulent settlements of claims of the society's members and was sentenced to serve eight years in prison and to pay a fine of \$12,000 and \$7,500 in court costs. His last chance for freedom was lost July 1 when the United States circuit court of appeals denied his plea for probation.

to the effect that its general agents, soliciting agents and brokers are not "employees" for the purpose of taxes imposed under the social security act.

# BUILDERS of MEN

"GUARANTEE MUTUAL MEN MUST SUCCEED"

thru a  
definite plan

Each step in our carefully charted agency plan is aimed at the objective . . . Guarantee Mutual men must succeed!

This plan provides for the General Agents' use of tested and proved ideas for

Selection      Financing  
Education      Training

that not only chart the way but also positively provide for each step that the field man must take in order that he build for himself a dependable future.

The company's obligation has not been overlooked. Under the personal guidance of our agency executive each man's "program for progress" is definitely outlined and followed through.

We have no right to "gamble with any man's future." Our principles of agency operation are predicated on that belief.

## GUARANTEE MUTUAL LIFE COMPANY

OMAHA, NEBRASKA

ORGANIZED 1901

Licensed in Twenty-one States

If you are interested in details of our plan, consult A. B. Olson, agency vice-president.

## MUTUAL TRUST

LIFE INSURANCE COMPANY



Ranks with the oldest and largest mutual companies in plan of operation and ratio of reserves to assets.

In 1905 started from scratch—occupying one small room on La Salle Street—a half block from its present offices.

In 1916 adopted 3½% full level premium reserves.

In 1935 adopted 3% full level premium reserves.

End of Year	Assets	Surplus
1907	\$ 615,654	\$ 431,905
1912	1,352,419	558,262
1917	3,156,512	561,782
1922	9,155,553	654,100
1927	20,185,583	947,832
1932	31,514,451	1,793,545
1937	40,750,839	2,945,962

INSURANCE IN FORCE: \$167,889,784

NOTHING BETTER IN LIFE INSURANCE

Recognized everywhere  
as

"One of  
The Best"

**CENTRAL LIFE  
ASSURANCE SOCIETY**

HOME OFFICE • DES MOINES

## NEWS OF LIFE ASSOCIATIONS

### Cummings in Field Farewell

National President at San Francisco—  
Urges Quality Selection of Association  
Members

SAN FRANCISCO — More than 200 heard O. Sam Cummings, president of the National Association of Life Underwriters, make his "farewell" field address before relinquishing his duties at the Houston convention next fall, at a luncheon meeting under the auspices of the San Francisco Life Underwriters Association. The meeting marked the close of the annual convention of the California State Association of Life Underwriters in San Francisco and served to introduce some of the newly elected officers of the state body, including John V. Hines of Sacramento, president, and Clarence W. Peterson of San Francisco, executive committeeman representing northern California.

### Review Accomplishments

President Cummings presented a resumé of the accomplishments of the National association during the past 12 months and events leading up to those accomplishments. He presented also a survey of the "long range" program of the organization for raising the standards of underwriters and elimination of the part-timer and marginal producer; and decried the "dog-catcher" methods that have sometimes been used by local associations in securing members, pointing out that the policy of the National association is toward proper selection and invitation to prospective members and that the ranks will not be open to "every Tom, Dick and Harry" who carries a rate book.

Mr. Cummings paid high tribute to the American agency system and told of the threat to this system in the recent savings bank life insurance law enacted in New York. He deplored the encroachment of government in business and reiterated his position against such activities and the entrance of government not only into the business of insurance but any other business.

The National association's work in building prestige for its members was told by Mr. Cummings. The agency practice agreement has eliminated more than 11,000 agents' contracts, he said, pointing to the necessity of proper selection in agency ranks.

President Cummings was introduced by Henry E. North, vice-president of the Metropolitan Life, who reviewed briefly the accomplishments of Mr. Cummings' administration as president of the National association, paying tribute to his work.

Nels J. Nelson, retiring president of the San Francisco association, presided and introduced his successor, V. T. Motschenbacher, and other newly-elected officers.

**Milwaukee**—New officers: President, W. F. Bredster, Kansas City Life; first vice-president, L. F. Bond, Equitable Society; second vice-president, Jack Nussbaum, Massachusetts Mutual; treasurer, H. J. Schwahn, Northwestern Mutual; secretary, R. P. Tinkham, Mutual Life of New York. Directors, S. L. Krar, Northwestern Mutual; A. A. Voss, Penn Mutual; G. F. Mayer, New England Mutual; H. L. Minton, Travelers, and Frank Du Bose, Old Line Life.

**Indianapolis**—New officers are: President, Hilbert Rust, Aetna Life; first vice-president, E. M. Spence, New England Mutual; second vice-president, O. D. Pritchard, Union Central; secretary, Wendell Barrett, Prudential; executive secretary, F. W. Yarbrough; treasurer, G. A. Bischoff, Travelers; directors, E. L. Smith, Massachusetts Mutual; G. R. Douglass, Mutual of New York; E. B. Harris, Prudential; C. C. Crumbaker, Northwestern Mutual.

St. Louis was favored for the National association meeting place in 1939.

### Chicago Association Now Is Largest in Country

The Chicago Association of Life Underwriters now is the largest in the country with 1,655 members, topping New York City by 133. The Chicago association June 30 reported its figures to the National Association of Life Underwriters, taking first place for the first time in its history.

The Illinois Association of Life Underwriters held second place with 2,480 members, compared with 1,958 last year. The gain made in Chicago group was 30 percent, a year ago the membership having been 1,257.

A. W. Ormiston, Travelers, is membership chairman. The drive this year was intensive, splendid cooperation being secured from members. A. E. McKeough, Penn Mutual, served as president for most of the campaign period. He especially credited Mr. Ormiston, L. M. Buckley, Provident Mutual, state chairman; George Huth, Provident Mutual, who signed the largest number of new members, and Miss Joy M. Luidens, executive secretary, the latter for following up the committee members in contacting, direct, every insurance office in Chicago.

### National Results

H. T. Wright, Equitable Society, Chicago, is national membership chairman. He said early figures indicate the national membership will show but slight decline from last year and will be second largest in history.

The Chicago association has had seven consecutive years of membership gains. Its record total is due very largely to a vigorous campaign of activities to aid and interest life men such as public relations work, contact with librarians in Chicago and suburban towns; essay contest on life insurance in high schools, speakers bureau, monthly sales clinics, etc. An information bureau and circulating library are available to members.

**Dubuque, Ia.**—New officers are: President, H. Eberl; vice-president, A. W. Ott; secretary, C. J. Stratton; treasurer, N. C. Hurd; national committeeman, A. J. Lungwitz; directors, W. B. Fleege, Joe Rhomberg, Cecelia M. Gehrig, Irving Welch, G. B. Healy and R. A. Roth.

**Pittsburgh**—Frank C. Wigginton, president, was chairman of the all-day seminar on "Simplified Programming," conducted by A. M. Anderson, past president of the Los Angeles association and author of a "One Interview Program System."

W. Rankin Furey, general agent Berkshire, and John T. Shirley, general agent New England Mutual, tied for a low gross score of 88 at the annual outing of the agencies committee at the Longue Vue Country Club. The same two led in the greatest number of pars for the 18 holes, turning in 6 and 5 respectively. Holgar J. Johnson, general agent Penn Mutual, won first prize in the 70 to 80 kickers' handicap.

**New Orleans**—John T. Moore, Mutual Life of New York, has become president, succeeding R. B. Aldrich; T. W. Collens, vice-president; W. H. Seeman, Jr., secretary; Malcolm Dinwiddie, treasurer, and Victor Schiro, Justin Hanow and Ferguson Colcock, members of the board.

**Racine, Wis.**—Tyr Sawyer, Mutual Benefit Life, Milwaukee, spoke on "Prospecting." A number of agents from outside the city and from Kenosha attended.

**Louisville**—W. H. Lausman, general agent Provident Mutual Life, is the new president, succeeding J. C. Norman, Penn Mutual. Other officers are: Vice-presidents Craigie Krayenbuhl, Reliance Life, and J. E. Taylor, Equitable Society; secretary-treasurer, Frank Kelsey, Phoenix Mutual; directors, J. E. Hayden, National Life & Accident, and H. G. Robbins, Northwestern Life.

The association voted approval of a proposed city ordinance providing com-



pulsory inspection twice a year of motor vehicles, and also voted support of the "30-50" safe driving club.

**Kansas City**—P. B. Turner, Kansas City, Mo., general agent Home Life of New York, becomes president, succeeding D. R. Alderman, Kansas City Life; Hiram Kincaid, Massachusetts Mutual, first vice-president; L. B. Fink, Equitable Society, second vice-president; J. E. Miller, Columbian National, secretary-treasurer; directors, W. L. Butler, Business Men's Assurance; R. W. Fischer, Bankers Life of Iowa; W. L. McPherrin, Kansas City Life; G. V. Metzger, Northwestern Mutual; H. V. Party, Metropolitan; J. T. Reddy, Mutual Life of New York, and L. B. Sittenfeld, New York Life.

**Sioux City, Ia.**—K. D. Hamer, assistant superintendent of agencies Union Central Life, spoke on "Our Intangible Assets."

**Washtenaw County, Mich.**—F. J. Little of the G. E. Lackey agency of the Massachusetts Mutual in Detroit, spoke at a meeting in Ann Arbor on estate taxation problems in their relation to life underwriting.

**Ottumwa, Ia.**—L. M. B. Morrissey, Davenport, Ia., manager Phoenix Mutual, spoke at the final meeting of the year on "A Quarter of a Century's Experience With the Rate Book."

**Chattanooga, Tenn.**—D. A. Park, general agent New England Mutual, is president, succeeding J. E. Gilbreath, Reliance Life; Terry Archer, National Life & Accident, vice-president, and George Ellis, Jr., secretary-treasurer. The executive committee includes E. O. Martin, Provident Life & Accident; H. T. Penney, Lincoln National; Roy Smith, Metropolitan, and H. H. Mansfield, Massachusetts Mutual.

**Springfield, O.**—New officers are: President, F. K. Hinchey, New York Life; vice-president, John Casad, Travelers; secretary and treasurer, Mabel Smith, Massachusetts Mutual. Executive committee: M. E. Hallinean, Travelers; C. A. Corwin, New England Mutual; C. C. Wetherill, Union Central; R. E. Drescher, Equitable Life; Homer McFadden, Mutual Benefit; Fred Zimmerman, Sun Life.

## CHICAGO

### MARQUIS BOWMAN'S JUNE RECORD

Marquis Bowman, Chicago manager of the Bankers Life of Iowa, feels that he can demonstrate the fact that when men get going they can write business even in these days and make a good living. He points to his June record. He has 17 men under contract. Of these 15 wrote 88 applications for \$316,000 or an increase of about 30 percent over June of last year.

### SCHWEMM AGENCY EXPANDING

The Schwemm Agency of the Great-West Life in Chicago is just completing its second year in its quarters in the Field building. Two years ago, after Mr. Schwemm was appointed manager, the agency moved into its new quarters. Today, after building an agency from scratch, the present quarters are inadequate, so about 30 percent additional space is being taken. In the last year and a half Carl B. Devol, Jr., was appointed agency supervisor, and R. C. Frasier brokerage manager. The agency does a large brokerage business. The new space set-up will provide Mr. Frasier with additional room for his expanding department, and private offices for some larger producers. Clerical staff also has been increased. In June the agency ranked first among all the company's agencies in placed business. Total paid for business to date this year is ahead of the same period last year.

### Neil New England Supervisor

The Mutual Trust Life has appointed E. H. Neil, Jr., New England agency supervisor with headquarters at 80 Federal street, Boston. He has been supervisor in the Hartford office of the New York Life.

## RECORDS

**Great-West Life**—In May new business exceeded by 20 percent production in May, 1937. Sales numbered 2,457. The Chicago agency, Earl M. Schwemm manager, led the company in the United States. Increase of business in force is over 5.5 millions for the year.

**Central Life of Iowa**—The largest volume of new business of any single month since October, 1930, with only one exception, was enjoyed in May, "Loyalty Month." "President's Day" brought the largest single day's production of the campaign. The first grand award winner was L. R. Fields of the Mack Fish agency of Iowa. Second went to Alfred Korbel, Larson & Larson agency, Wisconsin. The general agencies winning awards were Mack Fish and E. L. Gifford of Iowa and the Larson & Larson.

**United States Life**—It shows steady gain in new business, this record being found each month for more than two years. It reports a 40.4 percent increase in new ordinary and 30.9 percent in all forms of new business for the first five months. The new ordinary in May increased 29.2 and on all forms 29.9 percent.

**Cooperative Life**—Produced \$991,403 of life insurance the second week of June. On one day, which was set aside as Life Insurance Day, \$738,000 in life applications was written.

**Great Southern Life**—June 15 set a record for production, with \$421,776, the biggest day in its history. Production the first 15 days of June was \$824,721.

**Northwestern National**—New business running 20 percent over the corresponding month of 1937 is reported for June giving the company its largest month's volume since last October. The gain was more or less general throughout the territory with the best showings being made by the White & Odell agency, Minneapolis, whose new sales totalled \$1,339,000 for the month; the Texas state agency, Houston, \$518,000; A. W. Cray agency, Fargo, \$468,000, and R. J. Albachten agency, St. Louis, \$450,000. Other agencies which chalked up substantial gains include the eastern South Dakota agency, Sioux Falls, 72 percent; Chicago area agencies, 50 percent; Bachman agency, Oklahoma City, and Wichita, 40 percent; Northwest Iowa agency, Sioux City, 35 percent, and H. D. Leslie agency, Los Angeles, 25 percent.

## Part-Timers Keeping Up Along Production Lines

While many general agents and managers are doing everything possible to eliminate the part-time producer especially in the more important and populous centers, companies that have a number of these agents report that their production is not affected so greatly by the business conditions inasmuch as these solicitors are working chiefly among men with medium or smaller income. Furthermore, there is no great pressure put in the selling process. Part-

timers usually come in contact with friends or those that their friends suggest and when insurance is wanted or the psychological time arrives it is not very difficult to secure the application. It comes in a rather natural way. Therefore, companies that have a large number of part-time agents say that these men maintain about a level of production that they have in the past. This seems to be the same in cities as in rural territory.

Company reports, policy facts, rates and values all covered completely in the 1938 Unique Manual-Digest. \$5. National Underwriter.

## AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. MOODY, JR., President

Thirty-third Annual Statement, December 31, 1937

*Insurance in force*  
**\$671,629,425.00**



*Industrial and Ordinary*

Operating from Coast to Coast, from the Great Lakes to the Gulf, in Cuba, Puerto Rico and Hawaii

*Friendly • Progressive • Strong*

## LIFE REINSURANCE—

## STANDARD AND SUBSTANDARD

## North American Reassurance Company

Lawrence M. Cathles, Pres.

99 John Street, New York

## My Family will get \$100 a month



• "Yes, my income—or at least part of it—will continue month after month for five full years beyond my lifetime! In addition, my family will receive a substantial sum in cash—to cover emergency expenses and urgent debts."

• **WELL PLANNED APPROACHES, SALES TALKS, CLOSES . . . AND A MODERN LINE OF POLICIES TO FIT TODAY'S NEEDS . . . ASSIST OLD LINE LIFE AGENTS IN PROFITABLE SELLING.**

• **ACTIVE AND FRIENDLY COOPERATION.**

• **Inquire Now About Agency Openings Available in: Illinois, Iowa, Michigan, Minnesota, Wisconsin.**

**OLD LINE LIFE**  
Insurance Company of America  
**MILWAUKEE, WISCONSIN**  
Life—Accident—Health

## TAKING STOCK

Four elderly men dining together in a local restaurant. Three of them, retired, are scanning the day's market reports and woefully observing that several of the securities composing their estates are slumping badly. The other member of the group, an old life insurance man, remarks: "If you fellows had invested your savings in income policies, you wouldn't have to read the papers to find out what you are worth."

Here's a lesson which this year's college graduates—a new generation of prospects—may heed with profit to their future peace of mind.

**LIFE**  
INSURANCE COMPANY  
**VIRGINIA**

RICHMOND  
Established 1871

## VIEWED FROM NEW YORK

By R. B. MITCHELL

### Business Good in New York

**Stock Market Recovery Improves Life Insurance Production from Brokers and Agents**

The cheerful state of the stock market is already being reflected in better life insurance business in New York City. There is of course no reason why this should be, any more than there is for business falling off when the stock market is dismal, but it works out that way just the same.

Wall Street's gloom extends all over town when things are bad. People who are not even remotely dependent on market conditions for their bread and butter moan and wail and curse Roosevelt. They are still cursing Roosevelt, but in more hopeful tones. Until the recent upturn in the market, neither they nor anyone else knew when the bottom would be reached. The more pessimistic were not at all certain there would be any bottom.

Now that the market is on the way up, these same people, who have as little to gain through the stock quotations' upturns as they previously had to lose by their downward spirals, are sure that everything is going to be all right. In this opinion they are backed up by the experts, who feel that the turn has really come and that it is just a question of whether the climb to prosperity will be slow or fast.

Brokerage business and full-time production have shared in the life insurance improvement.

### Raymond Parker's Change

Raymond D. Parker, former vice-president of the Andrew Cone Agency, New York City, is now connected with Cowan & Dengler, 30 Rockefeller Plaza. After spending 25 years in all branches of insurance, Mr. Parker entered the insurance advertising field and gained outstanding recognition. Under his direction the Cone Agency became known from coast to coast among insurance executives, and now his many friends will be pleased to learn of his affiliation with another well-known agency handling various accounts. His new association with Cowan & Dengler, an organization which has specialized in public relations work as well as advertising for the past 14 years, will be of real value to the insurance fraternity, as this feature is up-

permost in the minds of many insurance executives today. Mr. Parker handles the accounts of Crum & Forster; Phoenix-London Guarantee Group; Northern of New York; State of Pennsylvania; European General Reinsurance; and the London & Lancashire. He is a member of the Insurance Advertising Conference.

### New York Managers' Outing

Eugene V. Homans, Equitable Society, won the prize for low gross golf score and John McNulty, Prudential, the low net award at the annual outing of the New York City Life Managers Association at Echo Lake Country Club. Sayre MacLeod, Jr., Prudential home office, equalled Mr. Homans' score of 75 to win the low gross award for guests.

Other prizes were won by Mr. Homans and Fred Fern, also of the Equitable Society, who were tied for second low net; Sam P. Davis, Phoenix Mutual, and Mr. McNulty, who won the first foursome prize, and C. D. Connell and Mr. McCloud, who took the second foursome prize. The low net prizes for guests went to Arthur Sullivan, supervisor Bragg agency Guardian Life of New York, and Gordon Harper.

Gerald A. Eubank, Prudential, president of the association, presided at the banquet, a feature of which was the showing of a motion picture of the 1937 outing by Elias Klein, manager of the Bookstaver agency of the Travelers.

H. Arthur Schmidt, New England, was chairman of the golf committee, other members being Harry F. Gray and M. J. Hancel. Mr. Hancel donated the cup for first low net score among the managers.

### Bookstaver Men to Home Office

Manager Elias Klein of the Bookstaver agency of the Travelers in New York City will take agents and members of the agency supervisory staff on the second annual visit to the home office. The entire group will make the trip in a chartered bus, arriving in time for luncheon at the Travelers recreation field clubhouse, where they will be welcomed by Vice-president H. H. Armstrong and other officials.

After luncheon they will go to the home office buildings, visiting various departments and being greeted by executives not attending the luncheon. Motion and still pictures will be taken of the Bookstaver group and the home office officials and other features of the trip, including the visit to the state capitol grounds. Colored motion pictures will be taken at the flower gardens at Elizabeth Park, the final stop before returning to New York.

Dinner will be at Seven Gables Inn, Milford, Conn., as was the case last year, an additional feature being the

showing of motion pictures taken on last year's excursion. Mr. Klein is a skillful and enthusiastic amateur movie producer.

### Myrick, Knight Figures

The J. S. Myrick agency of the Mutual Life in New York City paid for \$1,812,054 in June as against \$2,257,841 in June, 1937. For the half year paid business is \$9,919,803 as compared with \$14,350,507 for the first half year of 1937.

The Charles B. Knight agency of the Union Central Life in New York City paid for \$1,525,723 in June as against \$1,346,473 for June, 1937. For the half year total paid business was \$8,955,243 as against \$11,493,143.

### Cyclopedia of Insurance

The 1938 edition of the "Cyclopedia of Insurance in the United States," the 48th annual issue, is now being sent out by the Index Publishing Co., 123 William street, New York City, the cost being \$3 and postage. It is a reference work on insurance, giving the financial features of companies, data as to insurance organizations, biographical sketches and general insurance information. It is a valuable book.

### Insurance Counselors Bill

Superintendent Pink of New York has appointed a committee to draft a bill relating to the activities of insurance counselors. Samuel Feller, New York City, former deputy superintendent of insurance and now counsel for the Brokers Association in New York City; George Jamieson, acting deputy superintendent of insurance; Leonard Gardner, counsel of the insurance department, and S. L. McCarty, Albany, vice-president New York Life Underwriters Association, are the members. The last legislature passed a law governing the activities of insurance counselors but it was vetoed by Governor Lehman, who said it was worded in a faulty manner.

### Has Answer for Term Argument

Julius M. Eisendrath, manager, Guardian Life of New York in New York City and an outstanding personal producer, has an answer which has repeatedly proven effective in answering the prospect or policyholder who has been taken in by the fallacies of the term insurance prophets. When anyone brings up the glories of term insurance, Mr. Eisendrath listens attentively as if it were all something new. When the prospect has had his say Mr. Eisendrath says:

"This thing is not new. It has been going on for 20 years. If you can show me one man who has made a success of buying term insurance and investing the difference I can show you 1,000 who have not. And I think it will be easier for me to find 1,000 who have not than for you to find one who has."

Mr. Eisendrath then goes on with his sales talk. He has found that if his



Shipwrecked sailors and a few adventurous traders were Japan's only contacts with the western world until 1853. Then, on July 7, Commodore Perry of the U. S. Navy steamed into Yeddo harbor, negotiated with the Mikado's envoys, opened Japan to American trade.

## July 7, 1853

In the lifetime of The United States Life, founded in 1850, the medieval pall of forbidden Japan was first penetrated. Today, after 88 years of service, the Company is doing its bit to knit the world closer together by extending the benefits of sound, American, guaranteed cost life insurance even to the few frontiers that survive. Its world-wide continuing service opens to agents the rich prospect field of foreigners here, of Americans abroad. A complete line of policies and exceptional agency opportunities.

Ask for booklet "New Horizons."

**THE UNITED STATES LIFE**  
**INSURANCE COMPANY**  
IN THE CITY OF NEW YORK  
101 Fifth Avenue New York, N. Y.



Steadfast Since 1850



prospect doubts the truth of his statement and wants to enter into a debate on the subject there is no use arguing because if he won't believe the first statement he won't believe anything else.

### E. H. White Now Doctor of Laws

E. Harold White, attorney and estate manager of the R. H. Keffer agency of the Aetna Life in New York City, received the degree of doctor of judicial science summa cum laude, leading the entire postgraduate group at the Brooklyn law school of St. Lawrence university. Mr. White received his LL.B. degree from Fordham law school in 1936.

Mr. White has been with the Aetna Life 19 years and was formerly its general agent at Worcester, Mass. He is 43 years old. He took his undergraduate work at Lebanon Valley college, Annville, Pa., but he left college to enlist when the war broke out a month before he would have received his A.B. degree.

Mr. White is regarded as an authority on insurance matters, particularly those having to do with estates and taxation.

### PERSONALS

President **A. L. Aiken** of the New York Life returned this week on the S. S. "Queen of Bermuda." He has been vacationing at the Castle Harbor hotel in Bermuda.

**R. L. Riker**, assistant treasurer of the Prudential, was married to Miss Elizabeth Ann MacVity of Aylmer, Que., in the Little Church Around the Corner, New York City.

Vice-president **W. J. Graham** of the Equitable Society has returned from a vacation trip abroad.

**Joseph A. Sullivan**, associate general agent Equitable Society, San Francisco, finds himself in that distinguished company of men, headed by the immortal Mark Twain, the reports of whose deaths were "grossly exaggerated." A message garbled in transmission resulted in publishing an item chronicling Mr. Sullivan's demise. He is, on the contrary, alive. The news item should have stated that his wife died.

**W. R. Letcher**, Florida general agent of the Pacific Mutual, visited Cincinnati this week attending the Civitan convention. He has his main office in Tampa and maintains offices also in Miami, Jacksonville and Orlando. He says Florida residents are more insurance minded than most other southern residents. A resident in his state will often buy a \$10,000 policy, he claims, when a resident in some other southern states with the same income will purchase only a fifth of that amount. An agent's prospects are of two classes, the tourists and residents. The first do not buy their insurance in Florida and the second are composed mostly of persons who have moved from northern or western states to Florida to make their fortunes there. The residents are alert and aggressive business men who are insurance minded.

### Home Life Appointments

The Home Life of America of Philadelphia announces that Assistant Superintendent **R. J. Kemmey** of Pittsburgh becomes superintendent. He was appointed assistant there in January, 1934. He entered the agency ranks at Wilkes Barre, Pa., in March, 1923. Superintendent **T. D. Mullins**, who has been in charge of Pittsburgh, will function as general agent in the territory. **W. J. Krammes** of Allentown, Pa., becomes assistant superintendent at Lancaster, Pa. Agent **T. Patton** of Pittsburgh succeeds Mr. Kemmey as assistant superintendent there.

## INDUSTRIAL

### Report on Protective Mutual

**Illinois Insurance Department Gives the Results of Its Examination of This Company Writing Industrial**

The Illinois department has issued a report on the Protective Mutual Life of Chicago, one of the Negro companies of the city. It is located at 543 East 47th street. This company is organized under the assessment law of 1927, writing health, life and accident. The examination is of Dec. 31. Its assets are \$16,129 and surplus \$3,850. The cash position, the department says, is deemed ample for current operating needs and the investment portfolio is composed of marketable securities. The loss ratios in both life and casualty departments have been favorable and expenses moderate. Loss settlements have been paid promptly. Compromised claims appear to have been adjusted equitably. The company operates under the Illinois act of 1927. **W. W. Hadnott**, the secretary and treasurer, is one of the main factors in the company. **V. L. Burnett** is vice-president and agency manager. It operates only in Illinois.

The life policy forms are on the industrial whole life and endowment plans and premiums collected on a weekly debit basis. The accident and health contracts are written on standard weekly forms with funeral benefits not exceeding a maximum of \$150. The total income of the life department last year was \$26,013, casualty department \$21,066, making a total of \$47,079. Its disbursements in the life department were \$21,560 and in the casualty \$19,573 or total \$41,133. At the end of the year it had life insurance in force \$1,006,529.

### John Hancock at East St. Louis

**L. P. Flauaus**, manager of the John Hancock Mutual of East St. Louis, Ill., since 1920, has retired after 32 years' service. **A. J. Long**, who has been assistant manager at Minneapolis since 1931, is shifted to East St. Louis.

Mr. Long entered the employ of the John Hancock at Milwaukee No. 2, in August, 1930, becoming an assistant in October, 1931, and was then transferred in this capacity to Minneapolis.

Mr. Flauaus started with the company in East St. Louis and was appointed an assistant. Five years later he was transferred to Pittsburgh No. 2, and in January, 1918, took over the management of the Cincinnati district. He returned to East St. Louis in May, 1920.

**F. A. Derby**, assistant superintendent Prudential, Burlington, Ia., died there. He had been with the Prudential 25 years.

### Honor Big Tree Stars

LOS ANGELES—Nine leading members of the Big Tree Top-Stars division of the Big Tree Club of the Pacific Mutual Life will be guests of President **A. N. Kemp** and Vice-president **Asa V. Call** at the home office, July 9-11. The trip will be in the nature of a reward for their excellent record. They are: **Richard E. Denman**, Cincinnati; **Erick Geben**, Lake Charles, La.; **Dr. J. B. Wachtel**, Oklahoma City; **I. M. Alexander**, Corpus Christi, Tex.; **R. A. Brown**, Los Angeles; **Wallace Champlain**, Cincinnati; **C. F. Linder**, Oklahoma City; **A. L. Goller**, Houston, Tex., and **L. C. Haas**, Cleveland.

The stay at the home office will be featured by a yachting trip to Catalina Island on the yachts of President Kemp and Vice-president Call.

### Altick to Wilkes-Barre

**R. L. Altick**, associate general agent Massachusetts Mutual Life in Los Angeles, has been appointed general agent at Wilkes Barre, Pa.



### Now..PACIFIC MUTUAL JUVENILE INSURANCE

With the addition of a complete line of new, geared-to-the-need Juvenile Policies, Pacific Mutual's unusually wide range of personal coverages now serves the entire family unit.

**LIFE  
ACCIDENT & HEALTH  
JUVENILE**



## LIFE INSURANCE OPPORTUNITY IN IOWA

A legal reserve life insurance company with thirty years of successful operation offers an unusual opportunity for a man with a clean and successful record.

The man we are looking for will be not more than fifty years of age. He must have a good knowledge of life insurance, a car, and some local connections, as his work will be the appointment and training of new agents.

The compensation will be a salary and expenses, with suitable bonus for performance.

Correspondence is invited. Please give us any pertinent personal details and a brief resume of your business experience, particularly in the life insurance business.

**Address H-63**

**THE NATIONAL UNDERWRITER**

# More than a Name!



## A TRADITION

To the agent, Bankers Life of Nebraska is more than just a name on an insurance policy. To him it signifies his business partner working in a common cause—a better income for the agent, and a better service to the insurance buyer; borne out, without exception, for a period of more than fifty years. A tradition for half a century. Call it what you will, this principle of mutual understanding between agent, company and policyholder accounts for the major successes of Bankers Life of Nebraska. Successes that also have become traditional.

*In the Heart of the  
White Spot  
of the Nation*



**Bankers Life**  
INSURANCE COMPANY of Nebraska  
Home Office, Lincoln

## Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)

No Cash Values

*Life Insurance in itself is inexpensive*

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

*Attractive proposition to agents and brokers*

**INTERSTATE RESERVE LIFE INSURANCE COMPANY**  
10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

## Promotions Made in Official List of Canada Life

(CONTINUED FROM PAGE 3)

A graduate of the University of Toronto, Mr. Mitchell began as a school teacher. Then he was a reporter with the Toronto "Star." Finally, just after the turn of the century, he joined the Manufacturers Life as advertising manager. He remained with it for 10 years, rising to assistant secretary. He then became associated with the Federal Life of Canada in 1911 as assistant general manager and was appointed general manager the following year. When the Federal was absorbed by the Sun Life in 1915, Mr. Mitchell joined the Canada Life as an assistant superintendent. Since then his record has been: Superintendent, 1924; assistant general manager, 1926; general manager, 1930; vice-president, 1935.

The new general managers provide a judicious blending of Scots and Irish. After a number of years in a shipping office in Glasgow, Mr. Hastie joined the staff of the Canadian Bank of Commerce, which he represented in western Canada for almost 20 years. In 1920 he was transferred east, and three years later he became investment manager for the Canada Life in Montreal. Two years later, he was made supervisor of eastern investment branches and in 1928 he was called in to head office to become assistant treasurer. Another two years and he became assistant to the president, an office which he held until 1933, when he was appointed assistant general manager and treasurer.

### S. E. McEvenue's Career

Mr. McEvenue, almost as well known for his rugby prowess as his insurance career, joined the Great-West Life in 1913—a McGill University bachelor of science diploma in his pocket. In 1925 he became superintendent of the National Life and two years later joined the Canada Life as western supervisor. In 1929 he was appointed assistant superintendent. As such his science training proved very valuable for he was closely identified with construction of the Canada Life's new building on University avenue, Toronto. He became superintendent in 1930 and general superintendent in 1936.

Mr. Wood is one of the most highly respected actuaries on the continent. Honored by his associates on many occasions, he has an exhaustive understanding of company affairs and a broad practical grasp of the many factors which enter into the life insurance business. He has been with the Canada Life for almost 40 years.

### File Well Known Actuary

Mr. File is a man equally brilliant in the actuarial field. A gold medallist at the University of Toronto, he joined the Imperial Life on graduation. He became a fellow of the Actuarial Society of America in 1907 and of the American Institute of Actuaries in 1909, the year in which he joined the Canada Life. Mr. File was appointed assistant actuary in 1913 and associate actuary in 1924. He is a past president of the Insurance Institute.

Mr. Beattie is a graduate of Columbian College, New Westminster, B. C. Shortly after graduation he became connected with the law firm of McCarthy & McCarthy of Toronto and in that capacity did the general soliciting work for the Canada Life to a large extent. In 1929 he became a member of that firm and in 1935 was appointed executive assistant of the Canada Life.

Mr. Gill is a 1923 graduate of Queens University—winner of the gold medal in mathematics. Immediately on graduation he joined the Canada Life. Three years later he passed his final examinations in the Actuarial Society of America, and in 1927 was appointed assistant actuary. The following year he was transferred to the investment department in charge of the research and ana-

lytical division. His appointment as an assistant treasurer came in 1930.

Mr. Trenouth became the first representative in the Canada Life's Toronto city branch back in 1918, after considerable banking experience. Appointed manager at Windsor in 1922, he became western supervisor in 1929 and assistant superintendent in 1930. An honor graduate of Carnegie Institute of Technology in applied psychology, he is recognized as an authority on the psychology of life insurance selling.

## Differences of Opinion on Company Examinations

(CONTINUED FROM PAGE 2)

examiner attached to an insurance department. The point is made that these offices are giving almost all their time to insurance work. They have men who are trained in this specialty. They charge more, most of them \$25 a day per man. The commissioners that use these offices declare that an examiner from one of these offices can accomplish twice as much as the ordinary department salaried examiner. Furthermore some of the state officials say that the usual salaried examiner is a political appointee, a man who may not be competent to make examinations and who has not the background, experience and insight to investigate and check over a company in a competent way. Then it is found, so these commissioners contend, that a small bored examiner getting beyond the confines of his own state is apt to be bumptious and arrogant. Immediately he begins to "feel his oats."

### Efficient and Economical

Those that are studying the question with an eye to the greatest efficiency and best results declare that there are arguments on both sides and that as time goes on there may be worked out a plan that can be justified on all sides. Commissioners are harping on the expense ratio. Examinations at the very best are expensive. As a matter of exact justice, a company should not be called upon to pay a cent for examinations. That, however, is out of the question. Inasmuch as they are required to pay, then an attempt should be made not only to be efficient but economical.

## Many Phases in Lessening Shrinkage, Says Spinney

SAN FRANCISCO — The problem of lessening estate shrinkage holds many phases, according to William R. Spinney, former life underwriter of San Francisco, past president of the San Francisco Life Underwriters Association and now an officer in the trust department of the Anglo California National Bank in that city. Mr. Spinney addressed the Lions Club of San Francisco on "Reducing Taxes and Lessening Estate Shrinkage," stressing the importance of life insurance in such an objective program.

"There are various specialists concerned with taxation, and the administration of estates of deceased persons," he said. "There is the attorney who draws wills, and who acts in legal matters for the executor or the administrator. There is the accountant who spends his days in the active computation of tax returns, immediate and potential. There is the life underwriter, who can sometimes supply a much needed liquidity to a vulnerable estate. And there is the trust department of your bank, equipped with trained personnel, a broad experience and an adequate set of tools. Each of these advisors has a proper place. In the trust department these specialists meet in an atmosphere where their combined efforts can be applied to the solution of your estate problem."

Mr. Spinney illustrated his talk with lantern slides, to show the tax vulnerability of estates lacking a proper liquidity and told his audience that the owners of such property should seek greater liquidity through the purchase of life insurance.



## ACTUARIES

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Specialty, Income Taxes of Insurance Companies  
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 Chicago, Illinois  
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**DONALD F. CAMPBELL, JR.**  
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 100 N. La Salle St. Chicago, Illinois  
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### INDIANA

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 Consulting Actuaries  
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### NEW YORK

**MILES M. DAWSON & SON**  
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Established 1885 by David Parks Fackler  
**FAKLER & COMPANY**  
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 Edward B. Fackler Robert D. Holman  
 8 West 40th Street New York City

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**FRANK M. SPEAKMAN**  
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 Fred E. Swartz, C. P. A.  
 E. P. Higgins  
 THE BOURSE PHILADELPHIA

## NEWS ABOUT LIFE POLICIES

—BY J. H. RADER—

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Issues New Juvenile Forms

Connecticut Mutual Enters Field, Writing on Ages 4½ to 9½ Up to \$10,000

The Connecticut Mutual now offers juvenile life insurance between ages 4½ and 9½ years, becoming the first Hartford company to do so. Limits are: \$10,000 boys, \$5,000 girls, minimum being \$1,000. The usual maturity benefits, settlement options, cash and loan privileges, and dividends are given.

At the start the forms used are endowment at age 60, 20-payment endowment at 60 and 20 year endowment.

If death occurs before age 10, premiums or cash value, whichever is greater, are returned, but at 10 and thereafter the face amount is payable. No further evidence of insurability is required at age 10.

The payor clause also will be issued, waiving premiums in case of the death of the parent paying the premiums before child's attained age 21.

### Unusual Provisions

Three persons may be made party to the contract during the insured's minority. Until insured reaches age 10 all rights and privileges under policy belong to applicant and may be exercised by him without consent of any other person. After age 10, or at prior death of applicant, insured has right to exercise all rights and privileges providing during minority the written consent of the person designated by the applicant and named in the policy will be required.

Thus, an aunt when applying for insurance on the life of her nephew may

stipulate that the written consent of the child's father be required during the child's minority before the child can exercise any option or privileges. However, prior to age 10, the aunt has complete charge of the contract in such a case.

Children above 9½ years may apply for insurance on the regular adult forms of the company. Premium rates per \$1,000 are:

Ages at issue	5	6	7	8	9
End. Age 60...	14.22	14.32	15.46	16.13	16.85
20 P. End. 60...	22.79	23.58	24.42	25.30	26.23
20 Yr. End...	46.11	46.51	46.95	47.44	47.99

### Protective Life Increases Rates on Some Forms

The Protective Life announced rate increases effective July 9, on most policies. The waiver of premium disability clause has been extended from age 55 to age 60 with a small change in rates, the minimum monthly premium reduced to \$5; only one medical examination is now required on applications up to \$25,000, and two examinations above this amount. The family income policy has been discontinued and replaced by a family income rider which may be added to most policy forms. A family maintenance rider also has been added.

Vice-president A. C. Wellman said he expected the family income and family maintenance riders to prove especially attractive in helping agents to arrange income benefits for policyholders.

Policies on which no rate increases were made were: Ordinary life preferred non-participating, optional term to age 65, ordinary life preferred participating, and 20 payment life preferred participating.

### Finds "Founders Certificate" Was a Deception

A policy issued to owners of the Providential Assurance Corporation, now the Insured Life Fund Company of California, was not valid, according to the California district court of appeals, second appellate district, in Insured Life Fund Company vs. Ward.

Ward and two others organized the Providential Assurance Corporation and Assurance Agency Ltd., an agency company, in 1930. In a purported effort to comply with the civil code, Ward and his associates undertook to sell what they called founders membership certificates. They induced 1,004 persons to sign a document entitled "Application for Insurance in the Providential Assurance Corporation." None of the applicants paid the initial premium but certificates were given to them. Ward had one of the certificates. Each was required to pay 50 cents per month and the company, thereby became liable to pay the insured a certain sum upon his death.

The trial court said that 1,004 pretended applications, including a pretended application of Ward's, were filed with the department but these applications were designed and used by Ward and his associates to deceive the insurance commissioner and to evade the code provision.

Ward's policy is dated Dec. 1, 1931. The minutes of the meeting of directors held prior to that time show that a motion was passed that no policy be issued until definite arrangements had been made in regard to the reinsurance matter. Not until Dec. 15, 1931, was the reinsurance contract executed. Ward's policy was not reinsured at any time.

Ward was secretary of the concern. It is manifest, according to the appellate court, that Ward's policy was not authorized. The concern received Ward's dues of 50 cents a month for some time but later refused to receive these payments. Ward paid altogether \$17. New officers subsequently took charge.

### "Homelike" Office Helps Sales

In fitting up his new offices in White Plains, N. Y., I. Austin Kelly, III, of the Sam P. Davis agency of the Phoenix Mutual Life in New York City has furnished his private office as nearly as possible like a library in a home. Mr. Kelly, who for the last two years has led the Phoenix Mutual's entire field force, has found that his most successful estate planning interviews have been in the homes of his clients. Consequently he has planned his new quarters so as to produce a homelike atmosphere.

Many of Mr. Kelly's appointments are made in his office rather than in the client's office, with the aim of obtaining complete freedom from possible interruptions. Mr. Kelly feels that if his office is a comfortable one and attractive to his clients they will be more ready to go to his office and in a more favorable buying mood when they get there.

Mr. Kelly's work is done mostly with clients whose homes are in Westchester county and whose offices are in New York City and many of these people find they can accomplish more by seeing him in his office rather than have him go to New York to discuss with them their problems of taxes, business insurance and life insurance trusts.

New improved settlement option slide rule and instruction book. \$1.50. Order from National Underwriter.



### Can You Offer Him a Low Cost Policy?

General Mutual's preferred risk policy belongs in your portfolio. Why? Because it enables you to meet competition — when you're talking to the thrifty buyer of life insurance. . .

### write-**THE GENERAL MUTUAL**

LIFE INSURANCE CO.  
 VAN WERT, OHIO  
 C. M. PURMORT, President



## Outstanding

BY ANY  
**STANDARD OF COMPARISON**

FOUNDED  
 1867



● The Equitable Life of Iowa issues both participating and non-participating life policies; annuity contracts; and "man-sized" life policies for juveniles from date of birth to age 10.

**EQUITABLE**  
 LIFE INSURANCE COMPANY  
**OF IOWA**  
 HOME OFFICE DES MOINES

## LEGAL RESERVE FRATERNALS

### Report of the Examination

**Illinois Insurance Department Tells the Main Features of the Polish National Alliance of Chicago Check Up**

A convention examination was made of the Polish National Alliance of Chicago by Illinois and Pennsylvania as of June 30, 1937. The head office is 1200 North Ashland avenue, Chicago. Its assets were \$23,730,576, legal reserve \$21,387,903, surplus \$764,056. The solvency ratio is 100.4 percent. The report says the cash position is well maintained and the surplus funds are being currently invested in liquid securities. The department did say that the investment portfolio lacks proper diversification. The treatment accorded to members in the servicing of insurance and in the adjustment and settlement of death claims is without criticism, says the report.

In furtherance of its program of benevolence, the following enterprises have been established and maintained by proportionate participation in a per capita assessment of the membership: Alliance College, Cambridge Springs, Pa.; Alliance Printers & Publishers, Chicago; Harcerstwo, which resembles boy and girl scout organizations; sports department, educational department, school aid, old age assistance, relief department and national activities. John Romaszewicz is president. The secretary is A. S. Szczerbowski. J. T. Spiker is treasurer. It operates in 27 states and Manitoba.

Its income for the first six months was \$2,915,645, disbursements \$2,513,922. Its insurance in force as of June 30, 1937, was \$163,670,924. The mortality ratio

for the first six months of last year was 94.94 percent.

### Smrha Devises Examination for Fraternal Societies

LINCOLN, NEB. — Director Smrha, in preparation for periodical examination of the Woodmen of the World, inaugurated a system all his own by which the work of six examiners was laid out much as an architect's drawings are prepared for use of contractors and workmen. Not only can the work be divided among examiners in such a way as greatly to shorten the time required to perform the task, but each subdivision of accounts is set out as a part of the procedure in such manner that when the parts are joined at the end the examination will give a complete picture of the financial setup.

The information, also, Mr. Smrha says, will be more easily available when occasion arises to examine any specific portion of it. Mr. Smrha said that he was impelled to lay out the procedure in this way because of the lack of any systematized way in which examinations are attacked.

### Mrs. Talley Honored in Fete Dedicating New Home

Mrs. Dora Alexander Talley, president Woodmen Circle, Omaha, was honored at a ceremony in which the Dora Alexander Talley building, erected as first unit of the home for aged members and orphaned children, was dedicated. A plaque placed within the building pays tribute to Mrs. Talley. Directors, national officers, legislative and

advisory committee members attended.

Margaret G. Meadows, director, presided, assisted by Jeanie Willard, vice-president; Mamie E. Long, secretary; Ethel Holiway, treasurer, and Katie Ferguson, Clara B. Cassidy, Rosa L. Canada and Harriett T. Donelan, directors.

There was a procession led by the La Rocca-Talley Guards of Omaha, in which the J. D. Alexander Guards of Dallas, the Dora Alexander Talley Guards of Garland and others participated. The Woodmen Circle home band provided music and drum corps of Tulsa, Okla., and Amarillo, Tex., took part. Mrs. Talley was escorted by her sister, Mrs. Lena Alexander Shugart.

MILWAUKEE — Representatives of 10 fraternal groups composing the recently organized Milwaukee Fraternal Congress have secured approval from the officials of the Wisconsin state fair to designate Aug. 20, the first day of the fair, as "Fraternal Day." According to Otto Werkmeister, Modern Woodmen, congress president, thousands of members of fraternal groups in Milwaukee and Wisconsin are expected to attend and take part in special program features. There will be speakers, a parade, fireworks, pageant and drill team demonstrations.

### Missouri Council Elects

ST. LOUIS — E. A. Hammerstein, St. Louis, was installed as grand regent of the Missouri grand council of the Royal Arcanum. Other new officers are: Lloyd Frome, vice-regent; T. S. Linzey, orator; P. L. Stephens, secretary; W. L. Kaltwasser, treasurer; Dr. P. A. Michel, chaplain; T. F. Keane, guide; Adam Dindorf, warden; George Pemberton, sentry, all of St. Louis.

### Royal Arcanum Election

S. A. Schaefer of Westfield, N. J., was reelected grand regent of the New Jersey Royal Arcanum at the annual meeting in Asbury Park, N. J. More than 250 delegates attended. Other officers elected were: Grand vice-regent, A. J. Jionski, North Arlington; orator, Dr. C. Francis Drake, Asbury Park; secretary, J. S. Hough, Interlaken; treasurer, F. R. Keeper, Jersey City; chaplain, T. W. Cocher, Paterson; guide, Olaf Larson, Perth Amboy; warden, E. L. Reese, Bloomfield; sentry, J. P. Loeffler, Westfield; trustees, C. H. Blohm, Newark, C. R. Paul, and W. T. Melin, Jersey City.

Three representatives to the supreme council were named: L. C. Campbell, Newark; W. R. Drake, Metuchen, and C. C. Kerr, Roselle Park. Alternates are H. C. Barr, Rutherford; C. Molte, Jersey City, and Charles Schwalje, Metuchen.

### Francis R. Korns Dies

DES MOINES—Francis R. Korns, attorney of this city and a director of the Modern Woodmen, died at his home as the result of being shot accidentally through his chest when he was unloading a revolver. State and national representatives of the Modern Woodmen attended the funeral services here. Oscar E. Aleshire of Rock Island, president, spoke at the rites.

### Warning from Missouri

JEFFERSON CITY, MO.—Superintendent Robertson of Missouri has warned all life companies operating in Missouri to observe the statute regarding the dating back of policies and applications in order to effect a lower rate. He states it has come to his attention

that some companies probably unknowingly permitted agents to date back applications to get a lower rate and he calls attention to the fact that this is in direct violation of the law.

### Ertends Double Indemnity

The Home Life of America of Philadelphia announces the extension of the double indemnity accidental death benefit to infantile industrial policies on lives of children between ages 6 years and 6 years next birthday inclusive on the same premium basis as is now effective on ages 10-55 next birthday. Triple indemnity accidental death benefits will be effective only when the policyholder reaches the attained age of 9 years.



### Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



Operating for almost fifty years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

...

Write for particulars to

**PETER F. GILROY, President**  
1447 TREMONT PLACE  
DENVER, COLORADO

## What Is Legal Reserve Fraternal Life Insurance?

(This is the second of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

2. Legal reserve fraternal societies operate under strict state laws, must maintain reserves in accordance with those laws and are subject to the same careful and thorough examinations periodically by the same insurance departments that examine other types of insurance organizations.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

### BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,  
President

Edwin M. Mason,  
Secretary

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Supreme President  
Frances D. Partridge Supreme Secretary

Port Huron, Michigan

### Progress

with

### Stability and Safety

New issued and paid-for business written by the Representatives of Lutheran Brotherhood for the first four months of 1938, amounted to \$2,676,334.00. An increase over the same period of 1937 amounting to

**24 1/4%**

Total insurance in force to date (April 30, 1938) stands at

**\$62,611,159.00**

Progress with Stability and Safety has always characterized the well-rounded growth of this Society during its first twenty years of Life Insurance Service for Lutheran Men, Women, and Children.

Splendid opportunities await those who can qualify as representatives. Address your letter to Superintendent of Agencies:—

### LUTHERAN BROTHERHOOD

Legal Reserve Life Insurance  
Herman L. Ekern, President  
HOME OFFICE: Minneapolis, Minn.



# Sales Ideas and Suggestions

## Practical Suggestions on Business Insurance

Albert Hopkins of the Bethea Agency of the Penn Mutual in New York City gave a talk on business insurance at the company convention. He said:

"I am convinced that the possibilities and opportunities for business insurance today are just as good as they were in 1926, '27, and '28. There is nothing complicated about it, and any man of average intelligence can do it and the woods are full of prospects. There are lots of young men who have put \$5,000, or \$10,000, or \$15,000 into a business who would be glad to hear of a way by which their wives could get the money out of the business if anything should happen to them. The motivation in business insurance comes from the satisfaction that a man gets in knowing that his wife is going to get the money out of the business, and that the business can successfully continue.

### Business Insurance Leads to New Prospects

"Another reason I have liked business insurance is because of the personal business that it leads up to. After you have had two or three good interviews with a vice-president or a treasurer of a corporation, he is liable to think that perhaps you know something about insurance. What more natural than to ask if he wouldn't like to have you go over his personal situation, to see if it is in good shape as regards taxes and programming and so forth? Some of the very best personal business that I have on the books has come as a result of business solicitation, and sometimes—very often in fact—you can write a man whom you get acquainted with, even though you don't succeed in putting the business case over.

"Still another reason why I like business insurance is because it is so easy to get in to see a man. I personally haven't the nerve to do any cold canvass, and I think it is unintelligent, but in business insurance you go to a man's office and ask the girl at the desk if Mr. Throckmorton is in. She says, 'What do you want to see him about?' I say, 'I want to see him about a matter that has to do with the corporation,' and you pretty nearly always get in on that.

### Should Not Concentrate On Single Case

"I want to warn you of this: If you are sold on the idea don't go home and try to concentrate on it, because you will starve to death if you do. Of course it takes longer to sell a business case. You have to sell more than one man. You have to submit cost sheets and agreements, and a couple of times I have nearly starved to death because I had a business case that looked hot and I concentrated on it. So I worked out a system something like this: I try each week to see at least two new business prospects. In that way I always manage to keep four or five business cases on the fire, but in the meantime I continue to solicit personal insurance in my modest and ineffective way.

"Now key man insurance is simple. It simply involves covering a key man of a corporation or partnership to indemnify his associates for their loss through his death. It is exceedingly simple. The corporation takes out the insurance, makes itself the beneficiary, pays for it, retains control over it and no agreement is needed. And the situations where that kind of insurance applies are very many. All you need is

to keep your eyes open, your ears pinned back and have a sense for insurance, and you can pick up lots of situations.

"One case that I will tell you about is an actual one. A friend of mine solicited a company which was engaged in bringing out a mechanical device. They had an engineer of great ability and he was developing this mechanical device. Because of their confidence in his knowledge and ability they had invested several hundred thousand dollars in experimental work. This friend succeeded in selling the president the idea of taking out \$500,000 of term insurance to cover this engineer until this device was on the market. Because the engineer was in good health, and they expected to be through with the thing in a year, the board of directors turned the proposition down. Within six months the engineer died as a result of an automobile accident, and within sixty days after that time the company had to apply for reorganization under 77-B. There was a perfect case for business insurance and the premium would only have been about 1 percent.

### Newspapers Are Good Source of Prospects

"I follow the newspapers very carefully and the financial items, because you constantly see items where one man has left a corporation and gone to another as a president. You can feel sure that the second company is paying him a pretty good salary, because they think he is going to make good for them, and there is an insurable situation there. You constantly run across situations where a man of means has made an investment in a company, perhaps a small company, because he has confidence in the management and thinks he is going to get a good return on his money. What is more natural than for the man who is making the investment to cover the key man or president of the company to reimburse himself in case the man dies?

"Frequently you meet this situation: A company is unable to borrow money

because its credit standing isn't good enough, except with the endorsement of some man whose credit standing is good. In that case if the note is not met at maturity and the endorser has died, the endorser's estate is stuck for the amount of the note, and it is pretty easy to sell the endorser the idea that it is a good bet to have the man who made the note covered, for the endorser's benefit, by insurance.

### Should Keep in Touch With Bank Officials

"Another idea that I think is worth following up: All of you have friends in your own town among bank officers. Keep in close touch with them, because there was never a bank yet that didn't have a sour loan once in a while, and the bank is delighted if they can get that loan covered by a policy assigned to them. Now, they won't very often let you use their name in going to see this company, but they will give you the name of the company, and they say, 'Now, don't let them know I sent you there, but see if you can get it.' If you can get in and talk to the president you can say something like this: 'Mr. Smith, where do you bank?' 'Well, I bank with the Guaranty Trust Company.' 'Well, do you mind doing something for me the next time you are in that bank? Will you ask the lending officer who handles your account what he thinks of the idea of your having some insurance to cover your account there, and I think you will find that he will give you a better rate and be more willing to renew your note?'

"You are aware of the fact, of course, that a company that does carry business insurance has a much better credit rating than one that doesn't—not only with the banks, and with Dun and Bradstreet, but, also, the federal reserve bank has in its questionnaire this, 'How much business insurance is carried?' when a concern is rediscounting paper.

### Get Bank Letters On Life Insurance

"Another point that I think is a good one: Get some of your friends in the banking business to give you a few letters describing their actual experience with some insurance, for the benefit of the bank, that became effective as a death claim and telling what it accomplished. You can carry a few letters like that in your portfolio, and, shown

at the proper moment, they are very effective.

"I hope that what I have said about key man insurance has convinced you that it is a good bet, that there are a lot of prospects, that you don't have to solicit big companies, that all you need is a sense of an insurable situation, and that it applies just as well in these days, as in earlier years, because if a company is having pretty hard sledding, they are all the more liable to realize the value of key man or credit insurance."

## Inflation Hedger's Stocks and Land Depreciate While Life Insurance Appreciates

With the revival of inflation talk, the experience of a policyholder related in "Con-Mu-Topics" is especially illuminating. In 1933 he took inflation seriously and after digesting all the information available on the subject, he decided that the best hedges were land and common stocks. He selected seasoned, blue chip stocks and bought outright such leaders as General Motors, New York Central, General Electric and U. S. Steel. Diversification was gained by purchasing 37 different stocks in 26 different industries. Most of the purchases were made at well deflated levels at from one-third to one-tenth from 1929 peak. The inflation hedger then watched his portfolio carefully, kept track of the earnings progress and subscribed to three different conservative advisory services. At the end of four years his investments had depreciated on paper exactly 40 percent and dividends had averaged about 3 percent of the principal cost during that time. However, the cost of the expert services was about 1 percent, bringing the net return down to 2 percent. If the value of the investor's time was considered even as low as 10 cents an hour, he was definitely in the red as far as income was concerned.

### Buys a Farm

In addition to the common stocks, the inflation hedger bought a piece of property 10 miles out of town, built a house and barn and secured a good tenant. Although the time has been short for getting the improvements in, the farm has been operated at about \$500 a year loss and the owner admits that each egg from the farm cost \$28.36 so far, which he said is pretty high even for inflation eggs. The farm cannot be sold at the present time for half what it cost because the only people interested in farm land right now are those who fully understand inflation and they are temporarily deflated.

### Insurance Best Hedge

The inflation hedger went on to say that he had read a book on the coming of inflation and what to do about it and got some fine hedging ideas from it. A little later the same author came out with a book in which he recommended annuities as the best method of guaranteeing old age income.

During the four years while his land and stocks have been depreciating in value, his life insurance cash values were appreciating each year. He said the increase in the 1937 market value of his life insurance was about 110 percent of his 1937 premiums. He concludes that life insurance is the best hedge against inflation after all.

### Western American Leads

ALBUQUERQUE, N. M.—The Western American Life of Albuquerque has a record of selling 26 percent of the total amount of life insurance written in the state in 1937, according to the annual report of the state department of insurance. The report lists 49 life companies as doing business in New Mexico.

## Good Plan for Young Agents

KANSAS CITY—C. L. Scott, Jr., son of the general agent for the Massachusetts Mutual Life here, outlined advantages the C. L. U. offers young agents in a talk here before members of the young men's division of the Kansas City Life Underwriters Association.

Larry Eckerle, Connecticut Mutual, discussed excellent results obtained from use of direct mail in soliciting business. Each week he mails ten letters over the signature of a vice-president to a selected list, offering a notebook with name engraved. He follows up on one day in the following week.

### Good Profit Over Expenses

For every dollar of expense invested on this method, he has had a return of \$2.80 commissions. About 20 percent of prospects circularized return the reply card, but there is little difference as prospects between those who return it and those who do not. Mr. Eckerle follows up all of them.

The method is particularly good for young agents with a prospect file to build. Mr. Eckerle noted four steps in making progress: Information about prospect; seeing him under favorable

circumstances; a certain amount of prestige so the selling interview is favorable, and a direct, fixed sales idea—something definite to talk about. The vice-president's signature, the offer of something of value, aid in all four of these steps.

Mr. Eckerle set a goal of 500 new, active names for 1938, and is up to date so far. He secures five good prospects out of the ten persons addressed, and from these and from those on the list who are not good prospects he secures four or five more good leads. The names on the list originally are selected from referred leads or from good income groups.

Because the agent, under this method, offers something of value, he is more careful about following up, said Mr. Eckerle. This is a good point in favor of use of the plan by young agents. The method is much better than cold canvass, Mr. Eckerle said.

He gets 35 percent of his business as a result of direct mail, yet spends less than 35 percent of his time in this way. He concluded the plan gets better results than ordinary efforts because it is organized effort.

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# AGENCY MANAGEMENT

## Stimulating Both New and Old Agents Necessity Today

Speaking on "Stimulation for the Old and New Man," G. Archie Helland, San Antonio, Connecticut Mutual Life general agent, presented a discussion of means of stimulation for agents to the Texas Conference of Managers & General Agents at Galveston. Agency meetings, he stated should be held at regular intervals whether daily, weekly, or monthly so that the agents may know just when the meetings will occur. These meetings should close at a set time, or if there is good reason for holding longer than the regular period, the agents should be permitted to leave so that they can fill any appointments.

### Program for Meetings

A planned procedure should be followed at each meeting whether directed by general agent, supervisor, or someone responsible for the meeting. That a constructive program may be followed at each meeting, he suggested a review of the preceding meeting, introduction of new agents or guests, welcoming of agents absent from the previous meeting, presentation of plans and objectives for the agency, distribution of advertising and discussion of its use, any changes in premium rates, "premium underwriting procedure," and a sales idea, new or old, in a new guise.

Suggestions from those present, Mr. Helland believes, should be called for to stimulate the agency force through ideas from others and recognition of individuals.

Two ideas for which he gave others credit were the "In Memoriam," in which lapses are listed by agent according to volume, used by O. D. Douglas, Lincoln National Life, in his monthly bulletin, and listing of proceeds paid to beneficiaries in various forms of benefits provided, appearing monthly in the bulletin of the Bruce-Schwentker Agency, Pacific Mutual Life, El Paso.

### Uses Personal Touch

He stressed need for a sales idea in each bulletin and recognition of the personal element by using personal items on agents and members of their families, birthday greetings, anniversaries, payment of death claims, and other items of general interest to agents. Another idea of value is to list members of the agency in the various agency or company clubs to stimulate friendly competition for honors.

He emphasized value of the "app-a-week club," urging rules concerning membership be definite and clear in the agents' minds. Special awards for continued membership are desirable. Importance of club membership, Mr. Helland said, is in development of regular, consistent production with improved morale and more satisfactory income, which create a happy atmosphere in the agency.

Another means of building agency morale, Mr. Helland said, is use of well-planned contests, which may be based on a number of elements and varied so there is a new, interesting angle. Contests may be on any phase of work, such as number of new prospects, night interviews, specified number of interviews daily for a limited time, etc. The purpose of the contests is to give each agent opportunity to have the satisfaction which comes with winning.

Then as a further means of strengthening the agency force and the increas-

ing efficiency, he suggested group study nights which provide for round table discussion of agents' problems, Mr. Helland stated in his agency group study periods are successfully held once a week from 7:30 to 9:30 for two or three months, a different leader serving each week. He says at the end of the period meetings are discontinued for a time and then organized for another period of study and discussion.

To supplement group work, Mr. Helland considers individual guidance and assistance necessary. He advised that the general agent or manager discuss with the agent any problems affecting his work, financial, family, health, or personal ambitions and goals. The question of ambition and a goal to be achieved, Mr. Helland believes is tied in with business volume to which the agent aspires. He pointed out that men vary greatly as to the amount of business which they consider satisfactory. It is essential that the agents set a higher goal if they are to be happy in the business. The goal always should be a greater one than that achieved during the past period of time taken as a standard.

### Advices Use of Contests

Contests of a friendly character between agents in the agency, between agencies, and between rural and urban agents, Mr. Helland believes, encouraged individuals and create a new viewpoint through the distinction won and made known through bulletins and in other ways to the agents. When an agent does an exceptionally good job this achievement must be made known to his associates for the group to get the most out of it.

All means used for group and individual stimulation have as their objective development of a cooperative fellowship among agents and office force.

### Golf in Detroit

DETROIT—The Associated Life General Agents & Managers held their annual golf tournament and dinner at the Detroit Golf Club with Nathaniel Reese, general agent Provident Mutual, as general chairman.

Donald Kilpatrick, Provident Mutual, carried off first honors for low gross score while John Clynne, Phoenix Mutual, was awarded the prize for the highest score. L. L. Mackey, Central Life of Iowa, won the prize for second highest score. Henry McCurry, McCurry Inspection Service, won the prize for the balloon blowing contest, which created much merriment. The prizes for the various events were distributed at the dinner which followed the tournament, held in the clubhouse.

### Insurance Advertisers Meeting

One of the most attractive resorts on the Atlantic seaboard has been selected by the executive committee of the Insurance Advertising Conference as the setting for the 1938 convention, Sept. 12-13. It is the Oyster Harbors Club at Oyster-ville, Cape Cod, Mass.

Delegates will arrive on Sept. 11, but the official sessions will not get under way until the following morning. Several nationally-known speakers have agreed to appear. A. A. Fisk, advertising manager of the Prudential, is president.

# MANAGEMENT SUBSTANDARD ANNUITIES?

By A. R. JAQUA

Associate Editor Diamond Life Bulletin

A question frequently asked by agents is: "Why is it better for a company to get money in the form of insurance premiums rather than in annuity premiums?"

In the insurance business there is a substantial margin of mortality profit which does not exist in annuity business. If a company pays out \$10,000,000 in death claims, there is an additional \$5,000,000 or \$6,000,000 that it did not pay but would have had to pay had its mortality equaled the American Experience table.

In the insurance business, the investment element is very small in the early years and the mortality profit correspondingly large. Such business produces a surplus even with very low interest rates and, in fact, for a time with no interest earnings at all.

### No Mortality Saving

Precisely the opposite is true with annuities, and largely true with single premium policies. There is no mortality profit in annuities. Furthermore, the net interest rate earned today is less than the average rate required on the annuity reserves. The average rate required is 3 percent and few new funds are now being invested to yield a net rate of 3 percent.

Therefore, every annuity put on the books, and probably every single premium policy, is drawing interest from previously existing invested funds which draw a higher rate of interest than can be had today. In effect, this penalizes existing policyholders for the benefit of newcomers.

### Solution Not Simple

Companies find it difficult to solve the problem. The obvious thing is to stop writing annuities until conditions change. But a company must consider the maintenance of its organization and it hesitates to take away a selling tool from its field force.

Furthermore, the abnormal demand for investment contracts of all kinds, particularly annuities, is probably due in large part to the fact investors don't know where else to put their money. They are simply taking advantage of the opportunity to share the benefits of previously invested good investments on the part of life insurance companies. But that is not fair to older policyholders whose interest rate is being lowered and whose dividends are being decreased by the addition of new funds which cannot be invested to produce the requirements on the new policies.

### Taking Various Measures

Some companies are meeting the situation by an increase in annuity rates and a decrease in commissions paid. Most companies limit the amount of annuity or single premium business issued.

The whole situation is somewhat analogous to the disability situation ten years ago, although the possibilities for loss are not so great. In the past, annuities paid their way because of excess interest earnings. But with interest earnings down and the tendency of annuitants to outlive present expectancy tables, the alternative is to raise rates.

An interesting sidelight on the annuity business is the prospect who was refused life insurance. Said he to his agent: "If I'm going to die soon then the company would profit if I bought an annuity. See what rating you can get me." Because of his physical condition the company gave him an annuity rate four years older than actual age, which considerably enhanced his return. Maybe we will have subnormal annuity business too.



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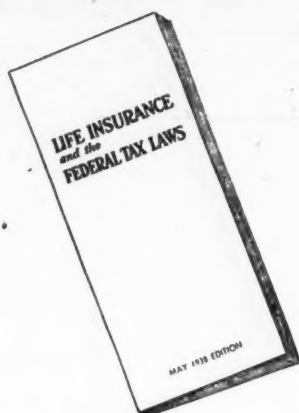
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